

University of Economics in Prague
Faculty of Business Administration
Study Major: International Management



Master Thesis

Challenges of People Management in MEMOS Software

In the Czech Republic

Author: Michal Zwinger

Thesis Advisor: PhDr. Daniela Pauknerová, Ph.D.

Declaration

I hereby proclaim that the Master thesis “Challenges of People Management in MEMOS Software” was written by me only, with the use of literature and other sources that are all listed and referenced.

Prague, 25th August 2011

.....

Michal Zwinger

Acknowledgements

I want to thank to my thesis advisor PhDr. Daniela Pauknerová for her valuable advices and effort with leading my Master thesis.

I also thank to founders and managers at MEMOS Software for their support and participation on the research in the company and for the provided internal materials. The same gratitude then goes to company employees that participated on the research as well.

Title of the Master Thesis:

Challenges of People Management in MEMOS Software

Abstract:

Organically growing companies usually reach a point when people management starts to be challenging up to such scale that influences their further development.

This master thesis in its first part covers basic topics essential for people management, especially communication, work motivation, job design and leadership.

In the second part of this work is focus put on empiric research of a concrete situation inside the selected company, analyses of management interviews and employee questionnaires.

The last part then presents a set of recommendations adjusted directly for the researched company in order to help improve current situation.

Key words:

people management, communication, work motivation, job design, leadership

Content

1.	Introduction	1
1.1.	Challenges of people management in a smaller company	1
1.2.	Purpose of the work and my motivation	2
2.	Communication.....	3
2.1.	The basic model of interpersonal communication	3
2.2.	Psychology of communication	6
2.3.	Company internal communication	9
2.4.	Conflicts management	15
3.	Work Motivation.....	18
3.1.	Instrumentality theory.....	18
3.2.	Reinforcement theory.....	18
3.3.	Content theory.....	19
3.4.	Process theory.....	21
3.5.	McGregor's Theory X and Theory Y	22
3.6.	Herzberg's Motivation – Hygiene Theory	23
3.7.	Two motivation frameworks by J. Adair and M. Armstrong.....	23
4.	Human Resource Management	27
4.1.	Human Resource Management and its role in organization	27
4.2.	Job Design and Motivation	28
4.3.	Management and Leadership	33
5.	Research plan and hypotheses	43
6.	Researched company - MEMOS Software introduction	45
7.	Research methodology	46
8.	Research results.....	47
8.1.	Qualitative part - interviews with company management.....	47
8.2.	Quantitative part - employee questionnaires.....	60
9.	Discussion and further recommendations.....	83
9.1.	Discussion.....	83
9.2.	Research limitations.....	84
9.3.	Recommendations	85
10.	Conclusions	91
11.	Sources.....	94
12.	List of figures.....	96

13.	Appendices.....	97
13.1.	Appendix 1 - Pre-research management questionnaire	97
13.2.	Appendix 2 – Pre-research summary.....	99
13.3.	Appendix 3 - Management questionnaire	102
13.4.	Appendix 4 - Employee questionnaire	106
13.5.	Appendix 5 – Employee questionnaire summary results	110

1. Introduction

1.1. Challenges of people management in a smaller company

Almost all companies that organically evolve from scratch sooner or later hit the people management issues. These issues cover rather a wide range of possible problems and difficulties that slow down the organic growth process, cause higher employee fluctuation rates, decrease involvement of employees in the organization and blur internal communications. Even though these obstacles on the entrepreneurial way to success can be expected, very seldom they happen to be operatively dealt with on the way and without severe complications caused. The main reason why it is so hard to avoid them is also the main reason why it is so hard to deal with them – lack of resources.

Lack of resources stays for financial resources as well as for human capital resources (missing skills and knowledge). In general, companies that hit the people management issues do not suffer from lack of resources because of world financial crisis or any other contemporary business obstacle; regardless of the economic cycle these issues are common for the phase of company evolution when employees are more than a few executive managers can handle in person and yet all earnings are reinvested to further development of the core company business. Moneywise it means that functions like Human Resource manager are still way too fancy for the organization. Human capital resources already present in the company are not of a big help as well (unless we talk about HR, Coaching or similar business) because all employees possess only knowledge and skills essential for their job that contributes to the actual company sales.

The above described lack of resources is an already identified problem which is a good start for dealing with it. Unfortunately, it takes a certain time to typical company owners (and managers in the same persons) to find out why there are communication issues, why new employees do not fit into the organization as easily as it happened so many times earlier, why some employees leave unexpectedly and why the turnover and profit values instead of exponentially grow rather slowly linearly (if still growing at all). Most difficult is to bring these issues together in the big picture above the company and realize that they are most likely interconnected and dealing with one or the other separately will not suffice to re-establish company growth.

In my Master thesis I focus on the root causes of people management distress, core elements present in most organizations of different forms, and cover these basics in an accessible way for the company management (as there is no HR specialist present, yet).

In the first part of my work I provide a theory overview on pre-selected topics of people management practices such as company internal communication, work motivation, job design, leadership and human resource management. These topics were specifically selected with regards to the pre-research in MEMOS Software as the target beneficiary of this work.

In the empirical part I conduct a research composed from a questionnaire among employees of the company and from interviews with managers. This research is performed inside MEMOS Software, separately for management board and employees. The research among employees is conducted in order to find out the actual presence of above discussed issues, weak spots in people management practices and respective opinions. Managerial part of the research is based on mainly similar aims, but besides getting the other perspective, it provides far more options for comments and explanations of the current situation. Those interviews can thus bring important details to be taken into account for the last part of this thesis.

Final part of my work is dedicated to the application of findings and suggestions in the form of proposed structured set of recommendations applicable in MEMOS Software improving the current situation.

1.2. Purpose of the work and my motivation

As international management student I gained some experience inside large companies, also was I provided with several courses on the topics relevant to company management in general and people management directly. Over the years, the deeper my knowledge was and the more experience I gained, the more I was fascinated by the huge gap between people management practices performed in the big organizations compared to the smaller companies (remark should be done about the fact, the over half of my working experience come from the small and middle size company segment). As natural and beneficial as those practices seem to be for the big players, I saw the same deal of impossibility to perform them in smaller companies.

Quite some time I spent inside MEMOS Software and thus I could see that those above listed people management issues are most certainly also present there. And since I am already in the early phase of a small venture founding, I realized the perfect opportunity to work on a master thesis that would address concrete issues of MEMOS Software while educating myself on a hopefully soon experienced topic at the same time.

My personal goal was thus set. Through this work I decided to contribute with my portion to shrink the earlier mentioned gap and to prepare myself for the future by examining several people management hypotheses inside MEMOS Software and by constructing a set of improving recommendations based on the research results. The added value will thus be delivered to the company in a form of an analysis of the current state accompanied by set of practical recommendations and to me personally in the form of deeper knowledge regarding this essential managerial topic. Just a positive externality on top of these aims is then the fact that studying all needed information on this theme helps me to understand the people behavior, working environment relations and hidden work motivations, all of which is more than useful.

Remark needs to be made that with respect to a master thesis extend, it is not the aim of this work to exhaustingly cover all possible issues that can emerge, nor to exhaustingly cover all aspects of proper human resource management work performed by educated specialists, but the focus is on concrete pre-defined areas as stated above.

2. Communication

Communication is according to DeVito (2008) the most important and useful human skill. According to Hargie and Dickson (2004, p. 1) *“individuals need to communicate with others”*. The communication itself is defined as *“the imparting or exchanging of information by speaking, writing or using some other medium”* (Oxford Dictionaries, 2011), while the verb communicate originates from Latin verb meaning *“to share”*.

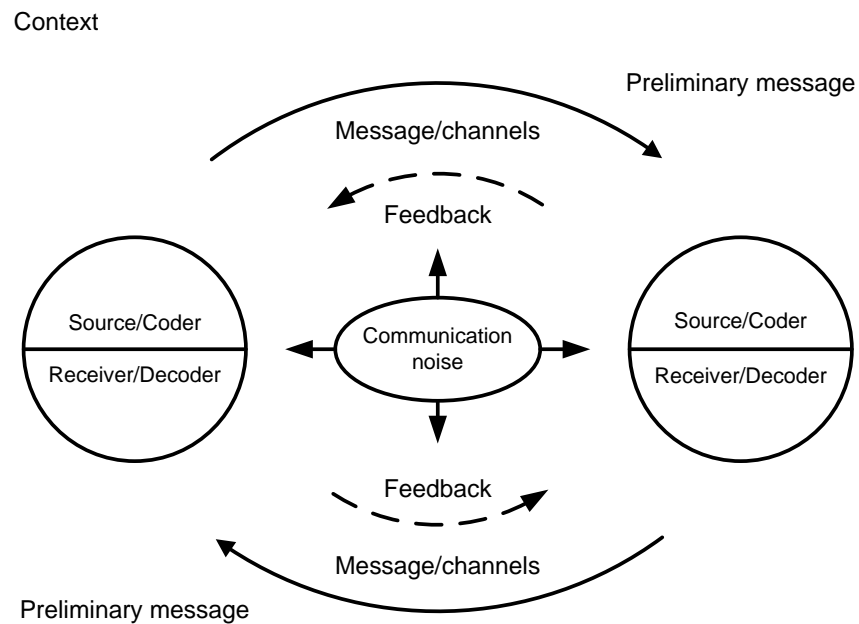
Communication and communication skills thus not only significantly influence the quality and productivity of both private and professional life, but they are in fact the essence of creating and keeping social relations to others, learning and development. Communication is also necessary for identity formation and expression as *“the self emerges through social interaction”* (Coover and Murphy, 2000, cited in Hargie and Dickson, 2004, p. 2).

The main forms of human communication formulated DeVito (2008) into seven representative terms. The first form of communication is intrapersonal, which is an internal communication inside the human mind. The next form is represented by typical interpersonal communication, which is a regular communication with other partners. Interview follows as a specific type of communication in the form of questions and answers. The fourth representative is a small group communication with up to ten people involved. Public communication is used in situations when the communication sender (speaker) has many communication receivers (from big company department up to whole nations). The sixth form of communication is described as a computer-mediated communication, which today represents substantial part of all communication activities for example as e-mails, chats, tweets, web pages or blogs. The last common form of communication is a mass communication, which delivers the intended communication to the audience spread through the whole world in many cases (e.g. TV, newspapers, radio).

2.1. The basic model of interpersonal communication

Interpersonal communication is according to Hartley (1999, cited in Hargie and Dickson, 2004) mainly direct face-to-face communication in between two individuals or a small group influenced by personalities, relationships and social roles of communication partners. As such, it is the interpersonal communication (with special focus on its company internal form) that is mainly concerned in this work. Hartley and Bruckmann (2002) point out two different perspectives always present in the communication. It is the process and content of communication (major components) as one perspective and interpretation of the meanings (often influenced by historical, social and cultural background) as the other perspective. Consequently, during every interpersonal communication there is always some communication noise present, the context matters, some consequences emerge and there is an option of feedback. The whole model is summarized in Figure 1 below.

FIGURE 1: BASIC SCHEME OF INTERPERSONAL COMMUNICATION



Source: DeVito (2008, p. 33)

Communication context

"All communication takes place within a context and is crucially influenced by it" (Rosengren, 2000, cited in Hargie and Dickson, 2004, p. 15) and the same message or information can gain completely different meaning depending on different states of context.

The physical context symbolizes tangible things and locations (e.g. the location of communicators). Cultural context is relevant for individual groups of people (cultures) that share common characteristics (e.g. religion, lifestyle, behavior patterns, etc.). Social-psychological context affects mainly the formal positions, hierarchy and groups norms. And the time context concerns order and consequences of communication.

Communicators

Newer models point out that communication process is never one way only and thus partners involved in communication formerly called sources and receivers of communication should be both called "source-receiver" as those functions are performed simultaneously (Hargie and Dickson, 2004; DeVito, 2008). During the process one partner sends a message and as the other partner receives the message, he/she translates it into meanings and reacts on it (sends a message back).

Code

In order to communicate with others, there is a need for mutual understandable code (used for transmission of messages). *"A code is a system of meaning shared by a group. It designates signs and symbols peculiar to that code and specifies rules and conventions for their use"* (Hargie and Dickson, 2004, p. 14).

Messages

Messages take the form of all verbal and non-verbal means of communication (e.g. speech, the outfit, body language, etc.). DeVito (2008) classifies the messages into three categories. The preliminary messages only set the ground for the main message and briefly inform about the following content (trailers, forewords, etc.). Feedback, as the second category of messages, can be obtained from the other communication partner but also only from paying attention to own verbal and non-verbal displays. Observed feedback is essential for adjustment, customization and changes of communication. The third category of messages is meta-communication which concerns, and is connected to, some other communication. Also contradictory body language to what is said is a part of meta-communication.

Too many messages can cause the communication overload. DeVito (2008) explains this phenomenon by the simplicity and costless of modern means of communication. For example e-mails and instant messages are fast and easy to send. In fact, he notes that today's employee may have to deal with more information in one year than an employee in 1900 in the whole lifetime. One of the threats of communication overload is according to Jones, Ravid and Rafaeli (2004, cited in DeVito, 2008) that such overload causes people to react only to simpler messages and to reply only in simpler forms.

Communication channels

Simply any mean of verbal as well as non-verbal communication can be described as a communication channel. There are usually more channels used simultaneously during the communication process, these can be for example speech, sight, smell, body language, but also different electronic channels of communication and other.

Communication noise

All kinds of interferences influencing the communicated messages are described as a communication noise. *"It refers to any interference with the success of the communicative act thereby distorting or degrading the message so that the meaning gained is not that intended"* (Hargie and Dickson, 2004, p. 14).

DeVito (2008) claims that most messages are somehow distorted by communication noises. These can be structured into four main types. Physical noises interfere with the actual transmission of a message; for example street noise, sun glasses, unreadable handwriting, bad pronunciation and others. Physiological noises interfere with the message because of physiological limitations of the sender or receiver; for example sight or hearing handicap, memory loss and others. Psychological noise can be caused by mental states or predispositions of either communication partner; for example by prejudice, mental issues, defensive attitude, high emotions and others. The last typical representative of communication noises is a semantic noise. This kind of interference emerges when the communication partners assign different meanings to the same expressions used or do not understand the expressions used by the other partner at all; for example dialect, technical terms or language barriers.

All communications always suffer from some noise distortion; nevertheless noises can be restricted to a minimal level by developing communication skills, precise expressions, non-verbal communication or usage of feedback.

2.2. Psychology of communication

It was already described in the previous section that every communication process is influenced by number of factors besides the pure content of what is being said. As there are always at least two sides of the communication process, it should not be the other partner (receiver¹) who is primarily accused of not understanding the message right, but quite contrary, the initiator should double-check what message he/she communicates and how. Several techniques and methods can be helpful for that purpose.

2.2.1. Elementary communication rules

Firstly, Paul Watzlawick (Klein and Kresse, 2008) constructed four elementary rules that should be followed in order to turn any communication into a success.

Communication is inevitable

Whatever a person does, it is always read as a specific communication. Even silence is interpreted for its meanings in the concrete situation. That is why in social situations when each is aware of each other's presence "*one cannot not communicate*" (Watzlawick *et al.*, 1967, cited in Hargie and Dickson, 2004, p. 15).

Receiver in the communication process interprets every message

It is not always what a sender meant to say that a receiver understands, because the whole communication is filtered by set of receiver's individual filters.

There is a difference between what is sent and received

Based on the second rule, some difference between the intended message and the received message (its meaning) emerge always. Important is thus focus on what is about to be received and understood (rather than just the intent).

When the result of communication is different from what was intended, do not explain how was it meant

Instead of immediate long explanations of the original meanings of messages, it is more beneficial to ask first how was it interpreted and continue from there.

2.2.2. Four communication levels

Klein and Kresse (2008) suggest (as well as many others do) that the most important parts of messages are to be read "in between lines", i.e. all other factors of communication besides the actual content count together for more than the content itself. They use the concept of four communication levels (content, relationship, self-expression and appeal) by Friedemann Schulz von Thun to illustrate how important it is to focus on many factors of communication in order to understand it properly.

Content

The Content level of communication contains the actual objective facts that are communicated to the other partner.

¹ Terms Sender and Receiver are on some places of this work used for easier orientation, despite being formally succeeded by term Sender-receiver for both of them.

Relationship

The mutual relations of the sender and receiver influences both of them significantly in the way how one codes and transmits the message, and also in how is the transmitted message de-coded and interpreted. Good relations work positively, bad negatively (up to such level when understanding is almost impossible and conflicts are actively sought). Body language can indicate much about the relationship.

Self-expression

Self-expression communication level concerns the current mental and emotional state of the communication sending partner, respectively what the sender discloses about him/her while he/she is communicating.

Appeal

And finally, appeal level of communication represents the intentions and pursued goals of sending partner. *“Those who take part do so with some end in mind; they want to effect some desired outcome”* (Hargie and Dickson, 2004, p. 16). Communication thus carries a certain appeal.

A remark should be made about the fact that it does not only suffice for a sender to formulate the communication to properly fit all these four levels, but also the receiver and what levels of communication he/she captures and interprets influences the overall result.

2.2.3. Effective interpersonal communication

Improvements in the communication process can be achieved with usage of the “right” interpersonal skills (or discussion methods). Quotation marks symbolize that there are plenty of techniques and methods of face-to-face communication that many authors describe as the right ones; nevertheless the extent of the work only allows me to discuss the common core ones.

Questioning

Asking more right questions at the right time allows for the better understanding of the other communication partner and shows interest. Dichotomous (closed) questions only allow yes-no answers and do not provide enough space for expression. Inexperienced interviewers often use them excessively and thus *“do not get the detailed answers which they really want”* (Hartley and Bruckmann, 2002, p. 249). Replenishing (open) questions provide more space for individual expressions as they seek content information.

Simple and clear messages

Klein and Kresse (2008) warn before the ambiguity of communication that can easily provide arguments against the original sender. For the communication to avoid ambiguity and stay clear it needs to be kept simple (concrete and with examples), logically structured into proper order, brief, accurate and expressed interestingly so that others like to receive such communication.

Reinforcement and Active listening

Reactions of the receiver and their interpretation represent an important part of interpersonal communication. Not paying attention (as well as not reacting) to the message

sends out negative signals and can block the communication as a whole. Reinforcement behavior encourages the other partner to continue, for example with *“small expressions of praise, encouragement and support, including head nods, grunts and saying ‘uh-huh’”* (Hartley and Bruckmann, 2002, p. 249). Active listening, as a step further, requires developed attending skills, following skills and reflecting skills (Bolton, 1986, cited in Hartley and Bruckmann, 2002) by which the partner shows interest and allows the efficient communication process. Active listening can be expressed for example with friendly eye contact, smile, head nodding, silent agreements, mirroring of body language and paraphrasing (Klein and Kresse, 2008).

Reflecting

Reflecting is a method used for verbal and non-verbal expression of understanding (and agreement) during the communication. It means *“to provide a mirror to the communication partner that shows to him/her the content of his/her message and his/her feelings. The partner can consequently feel understood”* (Klein and Kresse, 2008, p. 79). This method is used to receive more details or feelings as it invites the partner to elaborate. There are three common reflection methods: *“identifying a key word or phrase which will encourage the speaker to say more, summarizing what you have heard in your own words and identifying the feelings which seem to lie behind what the speaker is saying”* (Hartley and Bruckmann, 2002, p. 249).

Non-verbal communication

Non-verbal communication (or body language) constitutes main part of the face-to-face communication, strongly influences meaning of the sent message and can easily dominate the content. There are many areas of non-verbal communication, Klein and Kresse (2008) list mainly:

- External appearance (clothes, haircut, jewels, makeup)
- Mimics (eyes, forehead, mouth, lips)
- Speech skills and dynamics (diction, voice level, modulation, words selection)
- Personal space (status symbols, equipment)
- Gesticulation and body movements (body posture, head posture, look direction, eye contact)
- Proximity (distance and closeness of people, location in the building and room)

Combination of these signals and verbal messages can be ambiguous and have a different meaning in different cultures. On top of that, people tend to trust more the non-verbal part (Hartley and Bruckmann, 2002). That is why senders need to make sure that their body language is in line with their verbally expressed message. Receivers on the other hand need to observe the body language in order to assure that the sender can be trusted or to realize the opposite (based on the contradictory non-verbal signals compared to the verbal message).

Recognition

Since people are influenced heavily by their feelings, emotions and intuitions, not only is recognition a very good motivator for further work, but it is also an important factor of trust and relationship building. Recognition is often lacked by employees despite its zero

costs. Criticism and negative reinforcements do not have such power as positive recognition does. That is why it should be chosen and used primarily to those methods.

Self-disclosure

"You need to self-disclose to develop a relationship with another person" (Hartley and Bruckmann, 2002, p. 251). Self-disclosure reveals information about one communication partner to another. Important is to consider when and how much to tell to the partner in order to create a positive (not just business) relationship.

Assertiveness

Still popular concept of the recent past is assertive behavior that is usually positioned as the most constructive approach in between aggression and submission. While aggression is about winning over the other partner by all means and submission about avoiding conflicts by giving in, assertive behavior recommends *"open and clear expressions, firm and fluent conversation, quick spontaneous answers...medium levels of eye contact, appropriate facial expressions, smooth gestures, relaxed but upright body postures and appropriate paralinguistics"* (Hartley and Bruckmann, 2002, p. 253).

Effective interpersonal communication should be exercised through the best possible communication channel (depends on the target communication receiver) and ideally during a planned discussion. Such planned discussions allow taking advantage of all four levels of communication while using appropriate discussion methods and thus deliver the intended message in a smooth and professional manner.

2.3. Company internal communication

According to Smith and Mounter (2008, p. 2) *"an informed and engaged workforce produces better results. Unless your people understand what your organization is seeking to achieve and the part they have to play, arriving at your hoped-for corporate destination will not be a foregone conclusion."* The proper understanding and identification with company goals motivates people to perform better and that is why the internal communication takes place (and must take place) inside the organization.

Hloušková (1998, p. 9) adds the explanation of internal communication as *"such a connection between company employees that allows mutual understanding and real cooperation...Employees use communication to create and explain their attitudes to all company related events, which is why the internal communication is an important tool of company culture, tool for establishing company values and tool of motivation."*

2.3.1. Audience for internal communication

As there are different groups of employees in most organizations, it is helpful to tailor each communication to fit those groups precisely. Smith and Mounter (2008) identified five relevant groups for purposes of this work.

The first group includes front-line staff; often omitted group when targeting the internal communication and yet this group is significant for the impact of communication (mostly because those employees often meet directly with customers).

Supervisors (line managers) create the second group of audience and they are the best communication channel (best accepted) for delivering messages to the front-line staff. In other words, people appreciate consistency in communication and thus prefer to be informed from their supervisors that they meet on daily basis.

The third group consists mainly of middle and senior managers. These managers can easily block communication flow (even unknowingly) and have a great impact on the overall results which is why they should be involved in the whole communication process in order to get actively engaged.

The fourth relevant group includes board and directors who should set the example for others and thus keep themselves informed (not just about budget and sales).

The fifth group is of the main concern for this work and represents mainly creative workers and specialists. Even though different groups of specialist require different tailoring of the communication, these employees are usually early adopters and thus respond positively to novelties when appropriately presented to them.

2.3.2. Purpose and goal of internal communication

It is true that for the company to succeed customers are the most important target group. Nevertheless, not even a perfect product or service can sell itself and neither a perfect marketing campaign can guarantee a big success. To really satisfy customers, especially considering services, people that interact with customers - company employees, front-line staff - must provide them with satisfaction. And since it is the shared vision of a big picture that internally motivates employees and enriches their work; *"internal communication should pursue unification between employees' goals and company's goals"* (Horáková, Stejskalová and Škapová, 2008, p. 130).

One of the crucial points of internal communication is the amount and quality of information from the top management to regular employees. Horáková et al. (2008) illustrates this with the famous Puzzle game. She notes that if the different company goals would be represented by the individual pieces of puzzle, the top management only has all the pieces and knows the final picture (company's desired future or vision). And thus, the top management only can see the importance of each individual goal and task. On the other hand, employees usually do not have all the pieces of the puzzle nor can they see the final picture – that happens when information are provided in more detailed way but without context to lower levels. As a result, they might have either a dissolved idea about the final picture or not being aware of one at all. That is why *"the task of company internal communication is to create awareness about how every individual task helps to fulfill the company vision"* (Horáková et al., 2008, p. 127) because *"being able to see exactly how an individual contributes to the bigger picture is the key not just for the management but also for motivating the individual concerned"* (Smith and Mounter, 2008, p. 4).

The slightly different point of view is stated by Janda (2004, p. 10) who states that *"the goal of an internal communication is not a satisfied employee, but it is a satisfied customer"*. While these opinions might seem contradictory, I believe they only approach the issue at

different stage of company's activities and since both approaches agree on succeeding only by satisfying customers, they do not exclude each other.

Internal communication goals and principles are essential for creating an internal communication policy. This policy ideally includes the balanced proportion of general statements and concrete steps (measurements, channels of communication, responsibilities and resources) on how to achieve those communication goals and *"signals the principles which will guide the organization's internal communications"* (Farrant, 2003, p. 22). It is then beneficial to transform this policy into a framework for the following concrete communication plans and also underline its seriousness by publishing it. Examples of internal communication policy statements follow (Farrant, 2003, p. 22):

- *"To advise people in a timely and appropriate manner of all change which affects them personally"*
- *To engender a climate of trust throughout the organization*
- *To continuously update employees of key achievements*
- *To motivate people through public recognition of performance both on a team and individual basis"*

To conclude on purposes and goals, Hloušková (1998) lists several conditions that are essential and need to be established within the organization in order to attain goals of internal communication:

- All employees know the vision and company goals (so that they can identify with them)
- Every unit or working team know their concrete role in achieving of company goals
- All employees know what is expected from them, know their tasks, given authority and responsibilities (often underestimated)
- All employees know the basic "rules of the game", that means their rights and restrictions, their opportunities in the company, who is responsible for what, promotion rules, and many others including all communication channels used
- All employees are addressed with top management opinion on current issues
- All employees have sufficient access to information needed from their co-workers
- Management plans future changes and improvements in advance
- Management is aware of the pre-dispositions and skills of their sub-ordinates and updates this knowledge by regular feedback sessions
- Management is also provided with feedback from its sub-ordinates

2.3.3. Internal communication channels

There are plenty of channels for internal communication available; some of them evolving only recently as a result of Internet boom. Wright and Robertson (2009) list the typical systems of internal communication that should be taken into consideration when planning the internal communication strategy. The most relevant are:

- Newsletters (in print only useful if there is still a significant amount of employees without access to corporate network, otherwise on-line version is preferred)

- Notice boards (traditional, but can get ignored if the messages are commonly outdated)
- Team meetings (effectiveness depends on who leads the meeting, can be the most powerful form of internal communication)
- Live events (costly, but grabs the attention to messages when people are gathered)
- Videos (helpful in delivering a consistent message, including emotions)
- Plasma displays (not only they rise the working place perceived dignity, but they overcome the shortcomings of traditional notice boards)
- Telephone conferencing (for geographically-spread organizations it is a cost saver)
- Video conferencing (enriching extension to telephone conf., provides more complex communication)
- Phone (becoming rare)
- E-mail
- Intranet sites (increasing on importance, structure and standards need to be set and content administered by the subject experts, aim is maximal user-friendliness and efficiency of the content)
- Web streaming (corporate videos)
- Blogs (provide space for interactions on posts)
- Wikis (especially useful for capturing and storing the employee knowledge regarding processes, products, services and customers)
- Instant messaging (more real time than e-mail, supports silence in open offices)
- VOIP (Voice-Over Internet Protocol, it is a cost saver)
- Web meetings (collaboration software enables delivering even complex messages without the need to meet in person)

From the wider perspective (considering indirect channels) there can be counted also other influencing factors described by Horáková et al. (2008) and Hloušková (1998):

- Office environment and equipment
- Refreshment and dining options
- Social interactions
- Openness of management - especially collaboration support, open discussions, etc.
- Company and top management reputation
- Company culture, traditions and rituals

These tools of internal communication need to be used in an open, clear and continuous process of mutual interaction between management and employees with high communication standards and a proper feedback (in both ways).

It is worth to stress that some messages need to be communicated over the long period of time with proper reminding in order to eventually achieve the intended result. Hloušková (1998) also points out that the proper form is always essential for achieving the goal of a particular communication effort and thus needs to be selected carefully. She illustrates it on examples of delivering only a simple message to a well known and friendly colleague versus communicating with someone with an expected negative attitude towards the message (for example a colleague with history of mutual conflicts). The easy case can be

successfully handled with usage of an e-mail or short phone call, while on the other hand, the complicated case should be handled only personally face-to-face as this is the only way how to take an advantage of the full communication, verbal and nonverbal, and usage of real time feedback and proper reactions on the partner's reactions.

2.3.4. Damages and pitfalls in internal communication

Far too many managers are still convinced that only by delivering the formal decisions and messages to their employees will they be able to manage successfully. Unfortunately for them, this model of one-way communication does not suffice today.

Firstly, employees' expectations have changed. Unlike in the past, employees today automatically expect to be given a space for their comments, proposals and different opinions. They also expect to be part of the actual decision process. And in case they are excluded from that process, when orders are only formally communicated to them, they will not identify themselves with the new decisions and might not even be willing to participate. In order to avoid such situations, the communication must always be directed in both-ways and everybody must be given an option to participate. In an ideal situation, before any decision is made, the bottom level employees that are going to be affected the most should be interviewed for their ideas and comments first.

The second issue that can be pointed out is often restricting (context) information from the employees. There are two reasons why these situations emerge. Firstly, the management feels like not to over-supply employees with too much information which might be hard to handle, do not bring too much added value for their work or simply might not be interesting for them at all. The mistake here is that managers should not decide about relevancy of all information in this way as they realistically cannot know about each particular reaction on such information by every employee. Even if meant well, it still can bring negative atmosphere. Secondly, managers simply do not want to deliver more information than necessary and want to keep their monopolistic information position. Regardless of what are the reasons, neither of these approaches work for benefit of anyone. Employees can often handle much more information than expected, because it gives them the opportunity to better identify with the goals and vision of the company. Most significantly, their work starts to make much more sense and gives them more satisfaction in the wider company context.

The third pitfall of internal communication can be underestimation or avoiding the communication with the defensive individuals who do not automatically react in the same way as most employees. Often those can be very good specialist in their field (e.g. programmers), but in general too skeptical to any changes which they do not fully understand. It is important to demonstrate them leadership with enough patience to explain things fully, properly and with stress on all benefits brought.

On top of the previous three general common complications for internal communication, there are several other concrete factors that can cause negatively as well. Unfair and unsupportive treatment of employees is not rare, lack of standardized communication, too

general and unaddressed messages or poor usage of effective discussion methods to name a few.

Hloušková (1998) concludes that *“in case when employees and co-workers do not react to management communication as expected, then the source of disagreement should be looked for in the imperfect communication style of management in at least 80% of the cases. The responsibility for communication is always borne by the communication partner with higher position in the company.”*

2.3.5. Creating Internal Communication Strategy

Even though business circumstances change rapidly, every company needs at least some plan to show where it wants to go and how to get there (Holtz, 2004). Holtz follows with recommendation to plan the internal communication accordingly. That means communicate internally with respect to pre-set communication plan and align this communication plan to the strategic business plan. Internal communication can only then fully support your company economic goals.

Communication plans are divided into two groups; general communication plans and special communication plans. General plans last for longer periods (up to three years) and define mainly communication channels, media and messages for daily activities. Special plans deal with unique situations; for example reduction of staff, employee conflicts or entering a new business segment.

There are many models of internal communication plans designed by consulting agencies and other specialists, but in order to make any such plan effective Holtz (2004) defines common elements that must be covered in the plan:

- Background (review of the organization's identity, mission, vision, goals, etc.)
- Situation analysis (identification of current issues and their causes that need to be dealt with by the communication plan)
- Goal (one or more concrete goals that the plan aims to achieve)
- Audience analysis (plan needs to take into account different internal audiences and among others their typical communication channels)
- Strategies (sets of actions planned in order to meet the goals)
- Objectives (concrete measurable steps of the plan)
- Tactics (the smallest actions of the plan)
- Measurement and Evaluation (if the plan did not succeed, a new one needs to be designed)

A rather different approach was chosen by Wright and Robertson (2009) who base the internal communication strategy on five aspects - strategy, structure, systems, standards and skills - that all need to be defined and planned for the strategy to work as a whole.

Strategy aspect of the communication plan as its first part is similar to Holtz's (2004) background review, respectively to aligning the internal communication strategy to the company business strategy. Wright and Robertson (2009) then state that typical

communication strategies include information openness, supportive climate and focus on effectiveness.

Structure aspect refers to different approaches needed with regards to functional position of the communicator inside the company (corporate, HR, marketing, etc.), to location of the communication team (centralized versus spread through the company), to career paths suited to the communication team and required communication budget.

Systems are in this communication plan represented by plenty of available communication channels from traditional ones (e.g. newsletters) and media-based to web-enabled ones (for concrete list of options see chapter Internal communication channels).

Standards of communication are defined for those who communicate on how they should look (examples adopted from supervisors), how the working environment should look (creative usage of the space to be motivating), on what to say (avoid offensive or negative language) and how to behave (create an example for employees).

Skills as the last aspect of this communication planning model simply refer to flood of interpersonal skills that can positively influence every communication effort.

Wright and Robertson (2009) focused clearly on larger organizations and long-term communication plan and strategy building, while Holtz approached this topic from a rather practical point of view and defined some essential concrete steps to be followed. That is why Holtz's (2004) elements of communication plan would suit better purposes of a smaller company.

2.4. Conflicts management

"Interpersonal conflict is a disagreement between somehow interconnected individuals – co-workers, close friends, lovers or family members...Interpersonal conflict is part of every interpersonal relationship...where there is no conflict present, it is probably case of a lifeless or meaningless relationship" (DeVito, 2008, p. 224). It is important to realize that even though conflicts may increase tension, there are rather positive outcomes when people express different ideas and opinions (Hargie and Dickson, 2004). A. and C. Black (2007, p. 74) even suggest that *"tension can be a creative force, resulting in increased innovation and productivity"*.

2.4.1. Sources of conflict

As all kinds of relationships sooner or later involve conflicts, there have been identified several main source factors. Scannell (2010) lists among causes unskilled communication, competition for resources between employees, company policies inconsistency, employee personal diversity and emotional intelligence, different perspectives and interdependency of employees in their work. Hastings (2007, cited in Singleton, Toombs, Taneja, Larkin and Pryor, 2011) recognizes among the work conflict factors several similar issues as Scannell (2010); namely personality differences, different perspectives, different communication skills, competition for resources and on top of that also different employee work methods, different/inconsistent goals and differentiating sub-cultures.

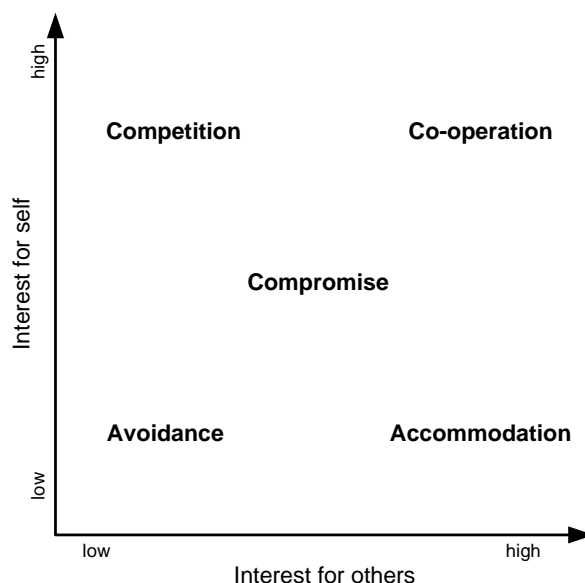
2.4.2. Principles of conflict

The first conflict principle says that conflict can be either positive or negative. When harmful argumentation and aggressive style is used in order to harm the other communication partner, the conflict brings about negative results and perception of the aggressor. Such a result creates communication barriers and thus likely produces more conflicts. Quite contrary, when constructive arguments are used and both partners approach to discussion about a mutual disagreement, they signal their valuation of the relation and usually are able to find a common agreement in the form of a win-win solution (DeVito, 2008).

Conflicts are according to the second principle influenced by culture and gender of the communication partners. Typical cultural dimensions causing different approaches to conflicts are represented by collectivistic versus individualistic cultures (collectivists rather look for compromises, while individualists try to win). Even inside one culture are typical differences in approaches to conflicts by men and women. Men usually try to avoid longer conflict situations and deal with them using logic and common sense. Women on the other hand approach much more emotionally to conflicts and try to talk about conflicts and resolve them.

The third conflict principle explains that the style of conflict has its meanings and consequences. According to Blake and Mouton (1984, cited in DeVito, 2008) there are five basic conflict styles (differentiated on the levels of interest for self and others) that can help to understand interpersonal conflicts (see Figure 2 below). Other influencing factors are mainly situational - current goals that communication partners pursue, their emotional states, cognitive situation evaluation, but also personal characteristics, communication skills and family history.

FIGURE 2: FIVE CONFLICT STYLES



Source: Blake and Mouton, 1984 (DeVito, 2008, p. 231)

Competitive style: I win, You lose

High concentration on self and low interest for others causes the communication partner act aggressively, competitively and negatively toward the other partner. Conflicts are usually not resolved, rather only ended from the position of power and thus new conflicts will emerge in the future. The style is only useful for decisions required urgently.

Avoiding style: I lose, You lose

Low interest for both, self and others, results in unwillingness to enter into conflicts and rather avoid them altogether. Unfortunately, avoiding conflicts will not resolve them and most likely will bring even more of them eventually.

Accommodating style: I lose, You win

Low interest for self and high for others results into accommodation to what other people want at the expense of own aspirations and needs. Even though such adjustment can for a short time satisfy the other communication partner, the overall harmony of the relation will eventually be negatively influenced by the losing partner's long suppressed needs.

Co-operation: I win, You win

High interest for both, self and others, is considered to be the ideal conflict style as it aims for mutual full understanding, constructive issue solutions and ends with an agreement that is a win for both partners.

Compromise: We both win and lose

Partial interest for self and partial for others is represented by a compromise. Despite compromises being often promoted as good issue and conflict solutions, there is always some disagreement or disappointment with the final solution left and thus the conflict is never fully resolved. More conflicts can be brought eventually, even though just on a much smaller scale than in the case of avoiding.

Awareness of the conflict style of the communication partner helps to eventual resolution of the conflict. Another helpful tool suggested by Hargie and Dickson (2004) is to follow basic conflict management. Those tactics are to focus on issues, not personalities, somehow appreciate contributions from all partners involved, focus on broader areas of agreement and always emphasize the group unity.

3. Work Motivation

Motivation can be defined as *“psychological feature that arouses an organism to action toward a desired goal, the reason for the action or that which gives purpose and direction to behavior”* (The Free Dictionary, 2011). It is straightforward from the definition that work motivation is concerned about achieving the company goals, about producing the value for stakeholders, respectively how to motivate employees for the highest possible productivity while achieving those goals.

Models of work productivity (in quality as well as quantity terms) often consider two factors in the equation, skills and motivation. Skills that an employee needs are usually specified before he/she is accepted to the company and thus only those workers that possess the necessary skills are selected. Nevertheless, if the productivity is equal to skills multiplied by motivation (Vroom, 1964, cited in Miner, 2005), none of the factors can be efficiently substituted by the other one (Provazník et al., 2002). That is why work motivation plays a significant role in the productivity maintenance.

Just as a Pareto principle of the 80/20 rule demonstrates that 80 percent of the productive work can be done in 20 percent of the time, the work motivation is not just a function of inner personality traits but the environment also plays significant role in that equation. Adair (2006, p. 38) goes in his explanations for a Fifty-Fifty rule: *“Fifty percent of motivation comes from within a person and fifty percent from his or her environment, especially from the leadership encountered there.”* That is to demonstrate the significance of each part of motivation and the necessity to always take both parts into account.

There are many motivation theories, but it is not within the scope of this work to discuss all of them and thus I briefly discuss the main theories and more deeply describe those from Maslow, McGregor and Herzberg (as most cited and practically applied).

3.1. Instrumentality theory

One of the oldest motivation theories from the second half of the 19th century is called Instrumentality theory. This theory is closely related to the Frederick Taylor's scientific management and stresses that *“if we do one thing it will lead to another...People will be motivated to work if rewards and punishments are directly related to their performance”* (Armstrong, 2009, p. 319, 322). This theory does not take into account intrinsic human needs and other significant motivating factors; for example relations on the work place. In the simplest form, it says that the only human motivation to work is money.

3.2. Reinforcement theory

Reinforcement theory, developed by Hull, focuses on the results of the past actions that were performed to achieve some goals (Armstrong, 2009). As some of those actions brought about more positive results than others, reinforcement theory *“suggests that successes in achieving goals and rewards act as positive incentives and reinforce the successful behavior, which is repeated the next time a similar need emerges. The more powerful, obvious and frequent the reinforcement, the more likely it is that the behavior will be repeated until, eventually, it can become a more or less unconscious reaction to an event.”*

Conversely, failures or punishments provide negative reinforcement, suggesting that it is necessary to seek alternative means of achieving goals” (Armstrong, 2009, p. 322). Skinner adds to this theory the concept of conditioning according to which people condition their behavior towards the biggest expected positive reinforcement (reward). Criticized downwards of this theory were mainly its focus on the past events and thus insufficient coverage of expectations and future states.

3.3. Content theory

Content theory focuses on people’s needs, thus it is also called Needs theory. The assumption of content theory is that people always satisfy their unfulfilled psychological needs *“arising out of...basic biological drives like hunger, thirst, sex or the avoidance of pain”* (Statt, 2000, p. 58) while performing any kind of actions, including work. *“All behavior is therefore motivated by unsatisfied needs”* (Armstrong, 2009, p. 323). It is important to point out, that this theory recognizes that people are different, have different needs in different situations and that those cannot be generalized into causes of certain behaviors. Most important needs theory is the Maslow’s Hierarchy of Needs.

3.3.1. Maslow’s Hierarchy of Needs

One of the most significant contributors in the field of motivation theories (and the best known) is US psychology professor Abraham Maslow who in 1954 published among others paper “A Theory of Motivation” (first published in 1943; Adair, 2006). The main part says:

“Man is a wanting animal and rarely reaches a state of complete satisfaction except for a short time. As one desire is satisfied, another pops up to take its place. When this is satisfied, still another comes into the foreground, etc. It is characteristic of the human being throughout his whole life that he is practically always desiring something.” (Maslow, 1943, cited in Adair, 2006, p. 49).

From that basis origins the popular Maslow’s hierarchy of needs, which can be only satisfied on a priority basis. That means once a lower priority need (on a ladder, meaning the one that comes earlier into account) is satisfied only then a higher priority need can be satisfied and so on. Such a construction can help to understand the human nature. From the logic results that the lower the needs are in the hierarchy, the stronger they are and will be better defended when threatened. The hierarchy is shown in the Figure 3 below.

FIGURE 3: THE PRIORITY OF NEEDS ACCORDING TO MASLOW

Physiological		Safety		Social		Esteem	Self-actualization
Hunger Thirst Sleep		Security Protection from danger		Belonging Social activities Love		Self-respect Status Recognition	Growth Personal development Accomplishment

Source: Adair (2006, p. 10)

Physiological needs

Physiological needs must be satisfied first, regardless of fulfillment of the other ones. Typical representatives can be hunger, thirst and the need of sleep; when those needs are not satisfied, people die. That is why *“if a man becomes chronically short of food and water he becomes dominated by the desire to eat and to drink, and his concern for other needs tends to be swept away”* (Adair, 2006, p. 50). Once those needs are satisfied, however crucial and urgent they were, they cease to motivate and higher needs emerge.

Safety needs

“When the physiological needs are relatively well satisfied, a new set of needs emerges centered upon the safety of the organism” (Adair, 2006, p. 51). Safety needs can be demonstrated by immediate reactions of kids to potential threats, by adults searching secure working place, pension or insurance and also by people using religion as relieve from the world complexity.

Social needs

After the previous two sets have been satisfied, an individual starts to realize the need of involvement with other people, belonging with someone and identification with a group of other peers. The need of love is also part of social needs.

Esteem needs

Adair (2006) explains that esteem needs were divided by Maslow into two sets, one representing the desire for a high evaluation (for example the desire for power, achievement, mastery, competence, confidence, independence and freedom) and the other set covering the esteem of others (for example the desire for reputation, prestige, status, dominance, recognition, attention, importance and appreciation).

Self-actualization needs

These more self-centered and abstract needs are described as fulfilling the human full potential, people becoming what they really can become – artists, musicians, writers, singers, etc. This *“man’s desire for self-fulfillment, namely, the tendency for him to become actualized in what he is potentially...we may call self-actualization”* (Adair, 2006, p. 54).

Higher needs

In addition to the basic five groups of needs generally accepted and cited in the literature, Maslow also described so-called higher needs, namely the needs to know, to understand and the aesthetic needs. Cognitive needs (to know and understand) are represented by the human natural curiosity, excitement from unknown, mysterious and unexplained. Aesthetic needs are present in people that are internally attracted by beauty, nice environments and things and on the other hand cannot stand ugliness (most artists often follow their aesthetic needs).

3.4. Process theory

According to Armstrong (2009), the process theory (also called cognitive theory) can be more useful for managers as it is more concrete about the motivation tools available. It concerns the psychological processes that are directly connected to motivation, such as the perception and understanding of a working environment by employees. *"The main processes are expectations, goal achievement and feelings about equity"* (Armstrong, 2009, p. 325).

3.4.1. Expectancy theory

Expectancy theory was first introduced by Vroom with the parameters valency, instrumentality and expectancy. *"Valency stands for value, instrumentality is the belief that if we do one thing it will lead to another, and expectancy is the probability that action or effort will lead to an outcome"* (Armstrong, 2009, p. 326). This theory basically claims that people are only going to act in a company aimed direction (going to be motivated) if they expect to be rewarded adequately for their effort, i.e. they know they can get the reward and they value it enough. Further developed was this theory by Porter and Lawler by describing two basic factors influencing the exercised effort by employees - the value of rewards and the probability that their effort will lead to those rewards (Armstrong, 2009).

3.4.2. Goal-setting theory

The next process theory is Latham and Locke's goal-setting theory which *"states that motivation and performance are higher when individuals are set specific goals, when goals are difficult but accepted, and when there is feedback on performance"* (Armstrong, 2009, p. 327). The goal-setting theory suggests that those goals energize people to put effort in their work, to persist in the work and to focus on relevant tasks only (Miner, 2005). Practical implications for goal-setting theory were derived from Peter Drucker's Management by Objectives (Statt, 2000) which is why it is essential in the goal-setting theory for both managers and employees to actively participate on setting those difficult goals, consult on them during the process of work and finish with proper feedback.

3.4.3. Equity theory

John Adams formulated motivation theory concerning an equitable treatment. *"To be dealt with equitably is to be treated fairly in comparison with another group of people (a reference group) or a relevant other person"* (Armstrong, 2009, p. 327). Thus the equity theory deals with fairness and justice of management approaches perceived by employees

with relation to others (Statt, 2000). The first form of perceived equity (respectively inequity) concerns the fairness of rewards (distributive equity), and the other one concerns procedures like promotion or performance appraisal (procedural equity). Despite being called Equity theory, the motivation is always triggered when some inequity (in outcomes compared to others' outcomes with relation to their contribution) is perceived (Miner, 2005).

3.5. McGregor's Theory X and Theory Y

Douglas McGregor was an early adopter of Maslow's theories and did significantly help to spread them into the industry. McGregor in his book *The Human Side of Enterprise* "demonstrated with considerable clarity that the assumptions which managers make about human behavior and human nature have a profound effect upon the way they seek to manage...he polarized these assumptions into two clusters of propositions or theses about human nature, which he called Theory X and Theory Y" (Adair, 2006, p. 61). Adair adds that McGregor's theories could have been broadly accepted by industry representatives mainly for their easy to understand construction and explanation; nevertheless most parts (especially considering the Theory Y) were derived from Maslow.

Because of their unconscious natural usage are these theories classified by Statt (2000) as informal. He emphasizes this fact by suggesting that Theory X was broadly used already by Frederick Taylor while Theory Y emerged much later in the twentieth century.

"Theory X: The Traditional View of Direction and Control

- a) *The average human being has an inherent dislike of work and will avoid it if he or she can.*
- b) *Because of this human characteristic dislike of work, most people must be coerced, controlled, directed, and threatened with punishment to get them to put forth adequate effort toward the achievement of organizational objectives.*
- c) *The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and wants security above all.*

Theory Y: The Integration of Individual and Organizational Goals

- a) *The expenditure of physical and mental effort in work is as natural as play or rest.*
- b) *External control and the threat of punishment are not the only means for bringing about effort toward organizational objectives. People will exercise self-direction and self-control in the service of objectives to which they are committed.*
- c) *Commitment to objectives is a function of the rewards associated with their achievement.*
- d) *The average human being learns, under proper conditions, not only to accept but to seek responsibility.*
- e) *The capacity to exercise a relatively high degree of imagination, ingenuity and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population.*
- f) *Under the conditions of modern industrial life, the intellectual potentialities of the average human being are only partially utilized."* (Adair, 2006, p. 61-62)

From today's perspective, Theory Y can be naturally considered as superior to the Theory X and it is really the case that managers, who give their employees freedom and put trust in them, do achieve better results in long term horizon. Nevertheless, despite that, *"Theory X is as alive and robust as it was in Taylor's time"* according to Statt (2000, p. 57).

3.6. Herzberg's Motivation – Hygiene Theory

Often cited theory of work motivation is Herzberg's theory about two sets of different factors that influence people's satisfaction and dissatisfaction. Herzberg and his team worked with a hypothesis that satisfaction at work is caused by different factors compared to causes of significant dissatisfaction and their research identified following two sets of factors and their incidence.

Dissatisfaction factors – extrinsic factors – Hygiene factors

Typical hygiene factors are working conditions, inter-personal relationships, supervision, company policies and their administration, effects on personal life, job security and pay (Statt, 2000). Typical for these factors is that they typically influence the motivation level in the range from negative to circa neutral and it is very hard (if not impossible) to positively motivate people by these means only. And yet, they need to be covered and fulfilled in order not to cause dissatisfaction. *"Improve these conditions and you will be reducing the level of dissatisfaction. But you won't make people happy by this route alone"* (Adair, 2006, p. 85).

Satisfaction factors – intrinsic factors – Motivation factors

Among the typical motivation factors are listed achievement, independence, recognition, work itself, responsibility, challenge, advancement, and the possibility of growth (Statt, 2000; Adair, 2006). Continuing with the previous differentiation, motivation factors mainly influence the motivation level in the range from neutral to high work motivation and thus, in contrast to the previous extrinsic factors, these intrinsic factors can highly motivate workers. On the other hand, the motivation does not sink to negative levels when missing; it stays more or less neutral. By emphasizing these motivating factors Herzberg became an early propagator of job enrichment and job redesign (Miner, 2005).

Herzberg supported the idea that there is a vivid differentiating line between these two groups for which he was criticized. The sources of criticism argued mainly that the motivation factors can play different role under different given conditions (e.g. salary). Nevertheless, taking into account some possible variance of the differentiation, this theory can be widely applied and companies can benefit from providing more of both (extrinsic rewards and intrinsic motivations) to the employees in order to motivate them fully for their work.

3.7. Two motivation frameworks by J. Adair and M. Armstrong

Firstly, Adair (2006) provides a synthesis on motivation theories in the form of a framework that covers eight key principles for management to work with in relations to its employees. Stress is put on the fact that regardless of what motivation techniques are used, the eventually achieved motivation (or de-motivation) is still up to employees and their individual attitudes.

Be motivated yourself

Only the real expressed enthusiasm and own motivation can attract others to join and accept the motivation techniques exercised by a manager. That is why *“the first and golden rule of motivation is that you will never inspire others unless you are inspired yourself”* (Adair, 2006, p. 91).

Select people who are highly motivated

When thinking about people motivation, it is always easier to work with those who showed signs of motivation already. Thus it is best to select only motivated people at the very beginning (even though there is no empirical test how to check that). Adair (2006) proposes to prefer medium skilled employees with a high motivation to those who might be even highly skilled (talented) but rather unmotivated for the job.

Treat each person as an individual

Not only because it is important to show a genuine interest about employees should every manager listen to them and really know them, but also because each person's motivations differ based on a specific personality, background, age and other reasons. The motivations provided should thus be individually tailored for everyone in order to be effective. On top of that, intrinsic motivations differ over time and thus the manager's overview about them needs to be updated.

Set realistic and challenging targets

Targets that should be achieved by employees (and managers) need to be balanced in the right way to provide strong enough motivation. This balance concerns the fact that it is rather de-motivating to have to pursue goals that are either unrealistically too demanding or goals set way too low and easily achievable. Every target thus needs to be set in such a way to provide big enough challenge while still being possible to achieve. When these targets are planned, it works positively on motivation of employees when they are allowed to participate on setting them. And a natural must here is that all targets have to be agreed by those who should pursue them.

Remember that progress motivates

One of the strong motivations people have is to successively complete their tasks. *“We want to finish what we are doing. The more significant the task, the stronger is the need to complete it satisfactorily”* (Adair, 2006, p. 99). As a result, the positive development and progress result into a very strong motivation. On the other hand, also a slight underperformance when communicated right is increasing the motivation level because of the will to fix it and perform better. In either case, a feedback about the true reality needs to be provided in order to let people know how they are doing.

Create a motivating environment

Herzberg's theory on work motivation claims that managers should influence the intrinsic motivation but also take care of all the extrinsic hygiene factors. Avoiding bureaucratic environment with strict controls and creation of an environment that stimulates discussion, new ideas and open company culture is recommended. A proper task explanation, stressing the importance of tasks and identification with them by employees also work positively on the overall job satisfaction.

Provide fair rewards

Just as the work targets need to be balanced in order to provide the right motivation, rewards for the effort exercised need to be balanced too. Adair (2006, p. 103) explains that *"fairness or justice means that the return should be equivalent in value to the contribution. Performance ought to be linked to rewards, just as promotion should be related to merit...When remuneration is poor, workers put less effort into their jobs."* Number one remuneration tool is money, naturally. The pay must be perceived by the addressed employee as fair in relation to his/her results. In addition to monetary remuneration, especially for higher level employees and professionals, self-development options, promotions and overall opportunities for growth are perceived as valuable.

Give recognition

Often the most effective solution for everything can be the simplest and cheapest one, and yet it might be ignored and underestimated for a long time. To praise someone for his/her results, efforts and positive impact on company goals, to simply thank people and show them appreciation, but also to provide a small financial bonus for example, all of that can be covered with term recognition. Adair (2006) notes, that people are social animals and thus the need for appreciation from others is universal to everyone. Managers should thus provide the proper amount of recognition (works great for the morale of people) and also create such a working environment where co-workers appreciate the work of their peers mutually. As Sir Richard Branson said: *"We all flourish with praise"* (Adair, 2006, p. 106).

The second framework is based on Armstrong (2006), who concludes on the motivation theories that there is no universal approach applicable anytime and anywhere guarantying a success. Main reasons why such a theory does not exist can be split into several factors. Motivation process firstly depends on the individual's needs and wishes that vary from person to person. Secondly, there is no given ratio between intrinsic and extrinsic factors and yet both groups are effective at the same time. Thirdly, expectations of individuals are based on previous experience and thus differ significantly. And the fourth factor is the social context that is very specifically influenced by each individual company's culture, co-workers and others.

While approaching to the actual steering of motivation, it is important to build an adequate environment within a company first. In such an environment, there are promoted values regarding achievements and qualifications, company norms leading to those achievements and also empowering of employees in order to demonstrate the trust and responsibility put in them. Consequently, goals need to be agreed on, proper feedbacks provided and overall trust in those commitments established.

As rewards should be used combination of monetary and non-monetary remuneration. Monetary reward, money, is important for employees not only to satisfy the immediate needs but it is also a very fast and easy recognition tool that allows comparing with others. Very quickly thus can be seen whose recognition is higher or what is more appreciated by the organization. Expectancy theory can be applied on monetary rewards – they need to be linked to effort, expected to be achievable and valued adequately. Non-monetary rewards are related to inner needs and often are stronger than monetary ones. Those most often

applied are achievement (important is to provide options and space for achievements), appreciation (positive feedback, financial bonus, or even a promotion), responsibility (empowerment), influence (option to contribute ideas) and the option for personal growth (self-actualization, career development).

All in all, Armstrong (2006) defined ten steps to achieve high motivation:

- Set and agree on difficult but achievable goals
- Provide proper feedback
- Take into account that some behaviors and actions are to be appreciated depending on the results while others can be punished
- Create stimulating jobs with a clear meaning to the company
- Link monetary rewards to the achieved results
- Provide enough of non-monetary rewards
- Communicate properly with employees and explain links between rewards and results
- Train chosen employees on leadership
- Provide enough leadership and development trainings, extend qualifications and skills
- Consult individuals on how they can develop their further careers

4. Human Resource Management

Human resource management is a wide concept covering plenty of practices related to employee-organization relations. Since this concept is mainly in focus of large organizations with their own human resource professionals, it is only briefly introduced in this work with its general characteristics and its role in organization. On the other hand, more space is provided for important specific HRM practices that do not necessarily require those specialists, concretely Job Design and Leadership.

4.1. Human Resource Management and its role in organization

According to Armstrong (2009, p. 4), *“human resource management (HRM) is a strategic, integrated and coherent approach to the employment, development and well-being of the people working in organizations.”* Armstrong follows with the objectives of HRM, which are to ensure that an organization is improving effectiveness and achieving its goals by making the best use of its human capital.

Since there is no universal set of characteristics of Human Resource Management, the approaches and practices differ. Nevertheless, at least basic characteristic similarities can be described.

At first, Armstrong (2009, p. 9) points out that *“perhaps the most significant feature of HRM is the importance attached to strategic integration”*, by which he means that human resources are topic for the company top management in line with all other strategic topics. The next characteristic is a commitment promotion that should increase individual’s identification and involvement with a company. Mutuality of a co-operation between managers and employees (who should share common goals) is also characteristic. Next typical approach is treating employees as a source of competitive advantage because *“it can make it possible for companies to be more innovative, develop superior products and customer knowledge, and offer superior services”* (Lawler and Boudreau, 2009, p. 2). But as the strategic goals of a company can sometimes differ from the goals of its employees (despite the above listed efforts), HRM has to always balance the relations and aims in order to maintain the beneficial environment for everyone.

Strategic Human Resource Management is *“an approach that defines how the organization’s goals will be achieved through people by means of HR strategies and integrated HR policies and practices...The fundamental aim of strategic HRM is to generate organizational capability by ensuring that the organization has the skilled, engaged, committed and well-motivated employees it needs to achieve sustained competitive advantage”* (Armstrong, 2009, p. 29). Objectives of this strategic human resource management are to integrate and align business strategies with HR strategies through the whole organization and to show the right direction for involved parties (company itself on the one side and employees on the other side) when pursuing the common goals.

When HRM is treated as a strategic topic, employees become a strategic resource. This resource-based view means that *“knowledge has become a direct competitive advantage for companies selling ideas and relationships. The challenge to organizations is to ensure that they have the capability to find, assimilate, compensate and retain the talented*

individuals they need" (Ulrich, 1998, cited in Armstrong, 2009, p. 31). As a result, the more skilled and educated human capital is, the higher value it represents.

Having the strategic HRM defined, it is also important to understand its role inside the organization. According to Lawler and Boudreau (2009, p. 4) *"in acting as a strategic partner, HR plays role that includes helping the organization develop its strategy,"* more precisely to both develop and implement this strategy by providing *"its expertise in attracting, retaining, developing, deploying, motivating, and organizing human capital"* Lawler and Boudreau (2009, p. 4).

Even though the role of HRM department can be understood differently among companies, there are some common practices. Among them should be mentioned mainly playing the role of specialized consulting center for all employee matters (education, trainings, rewards, etc.), partnership with managers to help them to achieve their goals (by providing relevant expertise) and the last but not least dealing with all the operational work of employees life-cycle in a company. It also important to note that for HR department to be perceived positively is important not only to perform their activities well, but also to have a strong support of top management (such that is openly communicated).

Critics of the human resource management argue that it is not far from brainwashing of employees; nevertheless researches mostly confirmed positive adoption of HRM in companies as the employees got the feeling of being better taken care of and being heard more loudly. And when it starts to be necessary for a company to establish HR specialist function? It always depends on more factors, such as type of business, company size and employee's specializations, nevertheless the IRS 2008 research of HR roles and responsibilities (Crail, 2008, cited in Armstrong, 2009) showed that the average number of employees per Human Resources specialist can be around 108, while in smaller companies it is less than 70 and in bigger ones more than 150.

4.2. Job Design and Motivation

Job simplifications (specialization) from Taylor and Ford era brought about concerns for motivational aspects of work, concretely regarding the maximal job performance achieved through the maximal job specialization. As beneficiary for organizations as it can be perceived, in the long term, specialization causes rather de-motivation because a very specialized piece of work eventually loses its meaning. As a result, such de-motivation typically increases employee turnover and absenteeism (Armstrong, 2009).

Those concerns were first tackled by Hackman and Oldham's Job Characteristics Model (1976, cited in Holman, Wood, Wall and Howard, 2005), Karasek's demand-control model and by Socio-technical theory.

The Job Characteristics Model identified five job dimensions (autonomy, feedback, skill variety, task identity and task significance) which eventually affect *"work satisfaction, internal work motivation, performance, absence and labor turnover"* (Holman et al., 2005, p. 7).

Karasek's work suggested that highly demanding jobs with low job control produce stress (strain) which decreases action capability, while on the other hand demanding jobs with high control over them *"lead to new behavior patterns, learning, and increased motivation"* (Parker and Ohly, 2008, p. 236).

The socio-technical theory focused on design principles of work systems translated into desirable job characteristics which *"include a reasonable level of demand, opportunities for learning, and an area of decision-making owned by the operator"* (Holman et al., 2005, p. 8).

Work design becomes especially important in the contemporary work places as the turbulent development is accompanied by novelties such as flexible working, information technologies and virtual team work (Parker and Ohly, 2008). All these factors influence in a certain way work motivation, or as Parker and Ohly (2008, p. 235) say: *"The way that work is designed, such as the degree of variety and challenge in the job or the level of work demands, has long been recognized as a critical influence on employees' work motivation."*

In order to approach to job design techniques, it is important to define jobs and their related aspects first.

4.2.1. Jobs, roles, skills and competencies

Armstrong (2009, p. 444) defines job as *"an organizational unit which consists of a group of defined tasks or activities to be carried out or duties to be performed."* The job related tasks and activities are usually summarized in a job description (rather inflexible set of tasks and duties). One of the downsides of a strict job description can be focus of employees on single tasks rather than overall company goals. The process of preparation of job description is called job analysis.

Role is *"the part people play in their work – the emphasis is on the patterns of behavior expected of them in order to achieve agreed outcomes"* (Armstrong, 2009, p. 445). In contrast to jobs (that focus on activities and tasks) roles are referring to people and their skills and abilities as the primary source of results. Outcomes for the roles are thus defined and agreed upon while how to achieve them is flexible and depends mostly on employees themselves. Similar to job analysis is the role analysis; it only focuses on the outcomes, skills and competencies.

"Work-based or occupational competences refer to expectations of workplace performance...Behavioral or personal competences are the personal characteristics of individuals which they bring to their work roles" (Armstrong, 2009, p. 446). Analysis of these competencies contributes to understanding how is job performance affected by them.

Skills essential to achieve a certain level of job performance are examined as well, concretely by the skills analysis.

4.2.2. Job analysis and job description

Chmiel (1998, p. 24) points out that *"in order to determine what can be done, and how efficiently, it is necessary to analyze the components of a job"*. Job analysis includes

collecting of data regarding specific job content from company internal documents, from supervisors, from the actual job holders and their sub-ordinates as well as from observations (Chmiel, 1998). The outcomes of job analysis are information about the overall purpose of the job (what is the reason for the job to exist), organization (supervisors and sub-ordinates of the job holder) and content information (activities, tasks and duties).

Having the results of job analysis available, it can be approached to the job description formulation. According to Armstrong (2009), several core elements of job description should be covered.

Job title

Job title needs to clearly express the functions that a job holder performs; it should be brief but exact and consistent through the whole organization (mainly concerning the job hierarchy levels).

Reporting to

Business unit, department or team leader (manager) needs to be assigned as a directly responsible person for each job holder.

Reporting to job holder

In connection to the previous paragraph, there needs to be a list of all jobs (posts) that are reporting directly to the job holder.

Overall purpose

As noted earlier, the overall purpose of the job is a brief description (usually one sentence) why the job exists and how it contributes to the company goals. The purpose should also distinguish the concrete job from other jobs in the organization.

Main activities, tasks and duties

Armstrong (2009) suggests taking the results of job analysis and summarizing them into no more than eight sentences, one sentence for each group of activities, tasks and duties. Every sentence should start with an active verb (perform, prepare, process, etc.) followed by an exact object (what is done) and cover not only the tasks alone but also a short statement of the reasons for those activities.

4.2.3. Role analysis and profile

Role analysis is similar to job analysis, but focuses on inputs, competencies and outcomes. Required inputs (knowledge and skills) define what a must to know and a must to be able to perform is in order to acquire a certain role in the organization. Behavioral competencies cover mainly areas of soft skills (communication, team work, etc.). Outcomes, key result areas and accountabilities, are to be achieved by the role holder in order for him/her to contribute to the organizational goals. These results and accountabilities, in line with the job content, can be defined similarly as a set of no more than eight sentences, but with the focus on outcomes and purpose instead of tasks and activities.

There are also generic role profiles that are less concrete in the terms of outcomes and purposes (compared to specific roles) that can be applied more generally. A typical example

of a generic role profile is a team leader role (which lists only general key result areas such as different activities with the team and also general required competencies).

4.2.4. Job and role design

Along with the development of society, work (new methodologies, activities and different tasks), technology and motivations understanding, new insights in the field of job design emerge and start re-ordering the old principles. Jobs are being redesigned in order to provide better motivation for job holders and roles are developed accordingly. Modern organizations aim for empowered jobs and high involvement of employees, while old productivity methods as job simplifications are minimized (Holman *et al.*, 2005).

“Job design specifies the contents, methods and relationships of jobs in order to satisfy work requirements for productivity, efficiency and quality, meet the personal needs of the job holder and thus increase levels of employee engagement” (Armstrong, 2009, p. 467). Meeting the personal needs is achieved when the process of job design does not focus only on the work performance, but also on maximization of job holder’s responsibilities and usage of personal skills.

All in all, job design strives for creating such jobs that are intrinsically motivating for the job holders while still fulfilling organization’s goals with maximal productivity. Based on that there are several factors influencing the job design defined by Armstrong (2009):

The characteristics of job

Three characteristics of jobs are commonly defined. Firstly, job range stands for the number of operations performed by the job holder in order to complete a task. Secondly, job depth focuses on the independence of job holder’s decisions regarding the activities performed and the outcomes. And thirdly, interpersonal relationships on the work place (with supervisors as well as with peers).

The characteristics of task structure

When designing jobs, tasks to be performed have to be grouped and assigned to individual jobs or to teams performing a job (or range of jobs). When multiple tasks are assigned to an individual (case of complex jobs), he/she is multi-tasking (performing several tasks). When tasks are assigned to a team, every member of the team needs to possess relevant skills in order to substitute for peers and for better flexibility; which is called multi-skilling.

“The internal structure of each task consists of three elements: planning (deciding on the course of action, its timing and the resources required), executing (carrying out the plan), and controlling (monitoring performance and progress and taking corrective action when required)” (Armstrong, 2009, p. 469). As it is still rarely the case that employees are assigned all these three elements, it remains one of the job design concerns to widen their responsibilities in this way as it is an ideal situation for employee motivation and engagement. To empower individuals and teams, to let them perform (at least partially) planning and controlling of their tasks on top of the execution alone creates completely integrated jobs that motivate.

The process of intrinsic motivation

Motivating jobs should provide not only with the extrinsic satisfaction factors like money (used to satisfy basic needs), but also with intrinsic satisfaction from the opportunities to grow and personally develop, achievements and others. There are three basic intrinsic motivating characteristics required for jobs to be motivating (Lawler, 1969, cited in Armstrong, 2009):

- Feedback (proper performance evaluation is required)
- Use of abilities (only if the job requires usage of abilities that employees value, it will be performed effectively)
- Self-control (the feeling of independence for goal setting and action path selection to follow them)

The job characteristics model

Improvement in the work satisfaction and motivation can be achieved through the knowledge of meanings of the work, being responsible for the outcomes and knowing the realized outcomes (Hackman and Oldham, 1974, cited in Armstrong, 2009). Based on that Hackman and Oldham identified representative job characteristics to be considered when designing a job: variety, autonomy, required interaction, optional interaction, required knowledge and skill, responsibility (Armstrong, 2009). These characteristics *“generate positive affect and thereby ultimately result in positive work outcomes such as job satisfaction, motivation, and work effectiveness”* (Parker and Ohly, 2008, p. 235).

4.2.5. Practical implications for job design

Many extrinsic and intrinsic motivation factors were covered in the chapter Work Motivation and thus only two practical job design sets are discussed here. The first set concerns specific job features that support employees' well-being proposed by Warr (1987, cited in Chmiel, 1998, p. 32), concretely nine groups of them:

- *“Opportunity for personal control (e.g. autonomy, participation in decision-making)*
- *Opportunity for skill use (e.g. skills needed and use of skills)*
- *Variety (e.g. non-repetitive work)*
- *Job goals (e.g. workload and responsibility)*
- *Environmental clarity (e.g. feedback and information about what is required)*
- *Physical security (e.g. safe working conditions and well-designed equipment)*
- *Opportunity for contact with other people (e.g. good relationships)*
- *Availability of money (e.g. salary and budgets)*
- *Valued social position (e.g. status of the job and job meaningfulness)”*

In the second set, Armstrong (2009) suggests five approaches to job design that provide with higher autonomy, less monotony, develop skills and overall motivate. These approaches (as introduced below) are essentially based on Robertson and Smith's (1985, cited in Armstrong, 2009) five approaches to job design (corresponding with the five dimensions of the job characteristics model).

Job rotation

Job rotation can be understood as a simple exchange of tasks between employees so that their job content becomes richer and more variable. It reduces monotony.

Job enlargement

Job enlargement is supposed to increase meaningfulness of job by combining more formerly separated tasks into a new coherent piece. Combination of tasks also increases variety of job.

Job enrichment

The higher level of job enlargement is a job enrichment that covers even higher autonomy, more responsibilities and *“aims to maximize the interest and challenge of work by providing the employee with a job”* (Armstrong, 2009, p. 472) that has three following characteristics:

- Tasks performed are recognizable for their added value to a concrete identifiable product or service
- Employees are provided with variety, decision making independence and controlling functions (as much as possible)
- There is an adequate feedback provided

Self-managing teams

Self managing teams are based on job enrichment and perform their tasks mostly independently. *“A self-managing team enlarges individual jobs to include a wider range of operative skills (multi-skilling), decides on methods of work and the planning, scheduling and control of work, distributes tasks itself among its members and monitors its own performance, taking corrective action when required”* (Armstrong, 2009, p. 472). The previous complex definition thus covers not only the personal motivations, but also the influences of social environment and belonging to certain groups.

High-performance work design

When there is a work environment with a possibility of achieving high-performance, fully responsible self-managing teams should be established to pursue company goals (as the most relevant approach in such cases). Teams need to be supported with trainings and skills development programs to achieve multi-skilling and other positive synergies.

Armstrong (2009) concludes that the first two approaches are beneficial for employees, but only the last three approaches really do (positively) influence their intrinsic motivations.

4.3. Management and Leadership

According to Benjamin Haas *“it is the reality that leading role is fundamentally different from the role of individual contributor. Leader is principally a person that can effectively make happen things involving other people”* (cited in McKenna and Maister, 2004, p. 19). Especially in the context of highly sophisticated technological services it is often not easy to find leading skills among employees, nor among the management recruited from those employees. Reason is that high-tech jobs are in many cases individual (e.g. programmers) and do not provide many opportunities for team work. Adding up the fact that this work concerns smaller organizations without trained professionals for people management, it is

important to start with several approaches on how to combine the job role a manager already has with the leading role he/she needs to perform on top of that. Common leadership approaches are then followed with a concrete leadership framework and a sub-chapter concerning leading of new incomers almost closes the theoretical part.

4.3.1. Job and leading role combination

The environment of smaller companies usually demands from managers not only to lead people from the title of their functions but also to still perform their previous main tasks that they excelled at (e.g. a technical director may still need to partially write a code). These situations are difficult for at least two reasons. The first obstacle on the way is acceptance by others. When dealing with experts and professionals, there are seldom fixed work rules that would be kept. Professionals usually have their own habits. In order to lead them as a team, it is essential to communicate intentions of the leading role and get accepted by the team (McKenna and Maister, 2004).

The second common obstacle is the time availability for your previously main tasks which produce sales for the organization. Problems emerge when a manager is expected to fulfill his/her job role tasks in the same range as before he/she was granted the leading position. Obviously one or the other role will suffer. It is a common mistake of companies that they do not dedicate enough time for leading tasks, they only delegate the tasks. Nevertheless, if the promoted team leading activities should produce some synergies and other positive gains for the company, it is essential to expect less customer work (producing sales) done by managers and allow them to dedicate more time for leading their teams. As McKenna and Maister (2004, p. 26) say: *“It is simple to prove that when a manager is given enough time to lead, there will be positive profits gained for the company and the company gains more from effectively lead teams than from the manager’s customer work.”* When the manager delegates parts of his/her previous customer work on team members, economic loss for the company is negligible but positive synergies and profit gains are significant.

4.3.2. Leadership

The online Oxford Dictionaries (Oxford Dictionaries, 2011) define leadership as *“the action of leading a group of people or an organization, or the ability to do this.”*

Since leadership is widely used, referenced and studied (probably because it is often regarded as a key success aspect in all social and competitive activities (Statt, 2000)), there are more leadership models that this work could cover. I thus provide a brief overview of common theories and into more extend describe the Action-Centered Leadership model which is according to Adair (2006, p. 19) *“one of the most widely taught concepts in the world.”*

Trait approach, to start with, defends the old perceptions of leaders as men and women with *“certain personality traits and capacities that set them apart from the rest and make it possible for them to lead”* (Hargie and Dickson, 2004, p. 425). Those traits are supposed to be born with. Eventually, six traits differentiating leaders from the rest were listed by Kirkpatrick and Locke (1991, cited in Hargie and Dickson, 2004, p. 426): *“drive, desire to lead, honesty/integrity, self-confidence, cognitive ability and knowledge of the business.”*

Situation approach leaves out the traits of leaders and rather suggests that based on a situation, everybody can become a leader when necessary. Its little acceptance causes mainly complete removal of individuals' characteristics from the model.

Contingency theories combine situational approach with appropriate form of leadership; the best known is the one from Fiedler (Statt, 2000). This theory differentiates leaders on either task oriented or relationship oriented and the best outcomes are achieved when there is a match of orientations with situational context factors (relationship between leader and members, clarity of task structure and leader's position power).

Transformational theory was originally introduced by Burns (1978) who distinguished a rather usual day-to-day managerial functions and focus on doing things right (transactional leadership) from more progressive, dynamic and novelty approach of doing only right things and focus on results instead of means called transformational leadership (Statt, 2000).

Behavioral approach, as the last from classic theories introduced here, suggested focusing on aspects such as leadership styles and skills exercised in different situations. Probably *"the best known variants of style are those introduced by Lewin et al."* (1939, cited in Hargie and Dickson, 2004, p. 430): autocratic, democratic and laissez-faire. Based on this Blake and Mouton (1964, cited in Hargie and Dickson, 2004) indentified five principal styles of leadership depending on dimensions of concern for people and concern for production. The well known styles are then impoverished management (low concern for both), country club management (concern for people only), middle-of-the-road management (medium combination of interests in both production and people), authority-compliance (concern for production only) and team management (high interests in people and production). Even though team management looks very attractively, Klein and Kresse (2008, p. 145) conclude that there is not a single correct approach, but *"successful leadership means adjust to given requirements and styles of individual employees."*

All in all, even though active debates still take place on the topic of differences and overlaps between management and leadership, there are some attributes of leadership that clearly distinguish it from the classic management approach. Importance of true leadership is among others underlined by scoring particularly high in the survey on most valuable attributes for successful top managers where the top five attributes consisted from ability to take decisions, leadership, integrity, enthusiasm and imagination (Thomas, 2004).

That extra something in leadership compared to management is according to Thomas (2004, p. 119) summarized in the following five points (that state what a leader must do):

- *"Give direction*
- *Provide inspiration*
- *Build teams*
- *Set an example*
- *Be accepted"*

It is worth to note here, that leading roles in a specialized services sphere (e.g. software development) most often bring about situations when there is a need to deal with skilled professionals that know how to perform their tasks, but from different reasons they might not do that. As the reasons vary from fear, suspicions, attitudes, personal problems to organization culture problems, the leadership role means to help the employees fulfill their potential via finding and eliminating those barriers. In case of success, the organization results will improve (McKenna and Maister, 2004).

4.3.3. Action-Centered Leadership model

Action-Centered Leadership is a successor of functional leadership which was originally developed at the Royal Military Academy, Sandhurst that concerns mainly individual needs and is defined as *“integrated concept of a leader as a person with certain qualities of personality and character, which are appropriate to the general situation and supported by a degree of relevant technical knowledge and experience, who is able to provide the necessary functions to guide a group towards the further realization of its purpose, while maintaining and building its unity as a team; doing all this in the right ratio or proportion with the contributions of other members of the team”* (Adair, 2006, p. 16-17).

Adair then emphasizes that the ACL model should not be simplified to such a degree when only its three core elements (task, team and individual) are explained for its mutual dependence, but that many underlying concepts need to be thought of as well (e.g. qualities approach to leadership, situational approach to leadership, motivation theories of Maslow and Herzberg, three circles model, functions of leadership, etc.).

4.3.3.1. Leadership qualities

Leadership can be understood as an ability to positively influence others towards achieving common goals and thus the personality of leaders and their character play very significant (if not decisive) role in this process. These character traits were summarized in Thomas (2004) into seven generic leadership qualities:

- Enthusiasm (there are no unenthusiastic leaders)
- Integrity (keeping principles and personal wholeness allow others to trust a leader)
- Toughness (tough but fair treatment, high demands and standards, not scared of unpopularity, demanding respect)
- Fairness (equal treatment of everyone with appropriate rewards and penalties)
- Warmth (caring for others is essential for leaders)
- Humility (humble approach to other opinions)
- Confidence (the right amount of self-confidence that is not too much and yet can be observed as present)

Nevertheless, even very good leadership qualities and skills still need to have a solid base in authority, appropriate leadership style and ideally established team trust and relations.

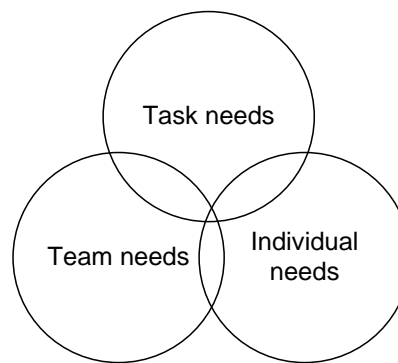
Regarding the authority, there are three kinds of it that need to be achieved from subordinates in order to be accepted as a leader. The first kind results from being an expert in the field of work (but the biggest expert is not always the best leader), the second is result

of a strong personality that others naturally follow and the third kind of authority comes with formal acceptance of the (formal) authority by employees (Klein and Kresse, 2008). Thomas (2004, p. 120) continues with the distinction from classic management: *“Managers become leaders when their personality and character, their knowledge and functional skills of leadership are recognized and accepted by the others involved.”*

4.3.3.2. Leadership functions

Three variables are always present in leadership situations: the leader, the situation and the group. Influencing others concerns dominantly the group, or more precisely the needs of work groups. These needs are, with relation to core aspects of the ACL model, task needs (to achieve the common task, to which leaders are expected to help), team maintenance needs (to maintain the team as a whole and develop synergies) and needs of individuals in the group (Thomas, 2004).

FIGURE 4: INTERACTION OF NEEDS



Source: Thomas (2004, p. 125)

Figure 4 above demonstrates the mutual interconnection of work group needs which has an implication for their satisfaction success or failure. Failing in meeting any of those dimensions eventually results into damage caused to the other two dimensions as well (e.g. if team maintenance is underperformed, then individuals are less satisfied and the task suffers as well).

Adair (2006, p. 12) explains that *“in order for the needs in these areas to be met in any group or organization certain functions have to be performed.”* The leadership functions thus are:

- Defining the task
- Planning
- Briefing
- Controlling
- Evaluating
- Motivating
- Organizing
- Providing an example

Each of these functions represents a certain set of skills required from a leader.

4.3.3.3. Leadership skills

In order to develop a real leadership and adequately perform the leadership functions defined above, company managers need to practice unique skills contained in every individual function.

Skills for defining the task

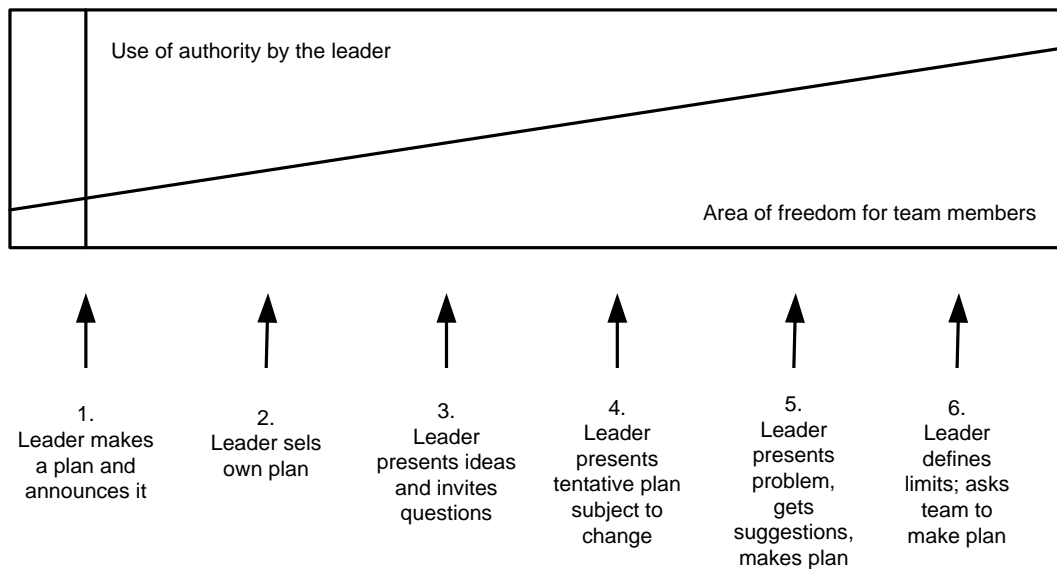
Tasks need to be transformed into objectives that are clear, concrete, time-limited, realistic, challenging and capable of evaluation. Selected skills that are to be developed in order to set objectives with those characteristics are (Thomas, 2004, p. 130):

- *“To tell the group the given objective*
- *To tell the group what to do and also why*
- *To agree on the objective*
- *To relate the aim to the purpose (to answer what and why questions)*
- *To communicate purpose to employees”*

Planning skills

What can be planned for should be planned for. Even though it is up to a leader’s decision how much space and autonomy is given to the team for planning and on the other hand how much is planned by him/her-self, in either case it is best done in an friendly open atmosphere encouraging creativity. When balancing the proportion of autonomy, leaders can decide about the level of allowed participation with the help of following planning continuum.

FIGURE 5: THE PLANNING CONTINUUM



Source: Tannenbaum and Schmidt (Adair, 2006, p. 16; Thomas, 2004, p. 132)

Briefing skills

Briefing is a basic communication function with the team, mostly conducted in the face-to-face form. Besides the necessary team communication, briefings allow to improve the working atmosphere, promote teamwork and positively influence each individual. For the communication in briefing to be successful regarding the task, team and individual needs, it needs to be prepared, clear, simple, vivid and natural (Thomas, 2004).

Controlling skills

Controlling skills require among others a proper self-control, establishing effective control systems (task progress- and financial-wise) and to know exactly who does what when fulfilling company goals.

Evaluating skills

Evaluating skills cover several aspects of leadership work; the first of them is assessing (evaluating) the consequences. This skill generally regards deliberative predictions of the future outcomes and how steps taken will influence them.

Evaluating team performance skills are present in the form of proper feedback or debriefing sessions at the ends of finished tasks or projects. It is usually a recapitulation of goals, performance, successes and failures and mainly learning lessons taken for the future.

Skills for appraising and trainings of individuals are as important as team evaluation. The usual appraisals cover past performance, future targets and priorities, unification of expectations of both sides and learning plans.

Judging people also belongs among evaluating skills. It is important to always follow with slow deliberation when judging others, to do that regularly, practice and to assess you on the same measures as others.

Motivating skills

Part of this work covers the topic of motivation which is why I will not list concepts and theories or best practices here (for those see chapter Work Motivation). Regardless of variance of employees' needs, leaders should strive for creation of such environment where their individual needs are fulfilled so that everybody performs at his/her best. What leaders can do to achieve this was suggested by James Kouzes and Barry Posner (1987, as cited in Thomas, 2004, p. 139):

- *“Leaders challenge the process. Leaders search for opportunities. They experiment and take risks, constantly challenging other people to exceed their own limitations.*
- *Leaders inspire a shared vision. Leaders envision an enabling future and enlist people to join in that new direction.*
- *Leaders enable others to act. Leaders strengthen others and foster collaboration.*
- *Leaders model the way. Leaders set the example for people by their own leadership behavior and they plan small wins to get the process moving.*
- *Leaders encourage the heart. Leaders regard and recognize individual contributions and they celebrate team successes.”*

Skills for organizing

Organizing is an essential skill, possibly the most important skill, because it needs a very good organization for the leader to be able to master and perform all leadership functions and skills listed here. He/she thus must organize his/her time and work in the first place. Delegation is then of no less importance. Aligned with delegation is organization of the team and team-work. And for the team to be able to perform effectively, the whole company must be organized in a proper way (processes, job designs, internal communication, etc.).

Skills for providing an example

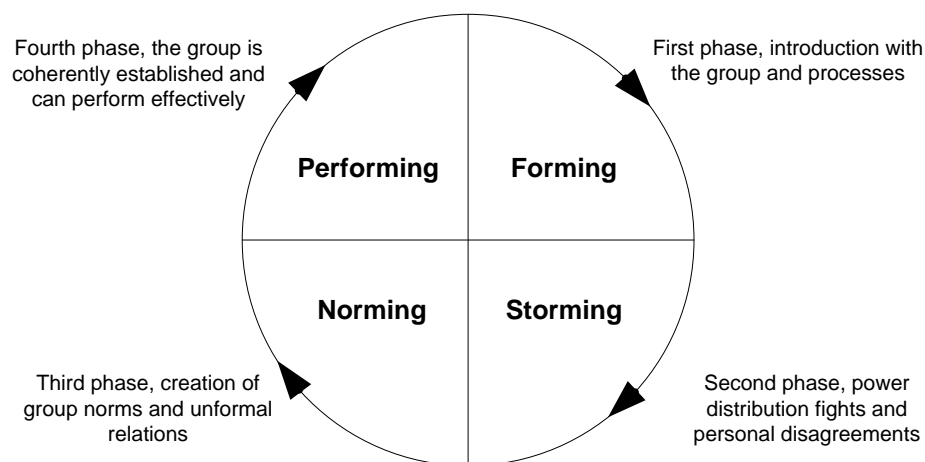
Providing an example is quite straightforward – it is up to the leader whether he/she provides a good or bad example (which is usually adopted by others). In order to successfully set a good example, leader must show good character traits and be consistent on words, actions and positions. Regarding the three core ACL variables, on the tasks he/she should lead by example, he/she should develop the team by setting standards and positive examples and recognize all individuals as leaders on their own (Thomas, 2004).

4.3.4. Leadership and team work development

Outside of the ACL model, but without a doubt as natural complement stays team work development. One of the work group needs is to maintain the team and for that individuals need to cooperate, trust and fit to each other. Unfortunately, to create such a team involves more than simply gather the best performing individuals.

In the best case scenario all that is necessary for a team to establish a solid cooperation is go through several stages of team work development. At the end of that process, individuals should be able to effectively work together as a team. Unfortunately though, too often is the team work development process re-initiated over and over again, every time there is a new task assigned. When this is the case, all established relations are lost. The four phases of team work development are shown on the Figure 6 below. Naturally, leaders should take as much advantage as possible from the fourth stage – performing.

FIGURE 6: TEAM WORK DEVELOPMENT PHASES



Source: Klein and Kresse (2008, p. 156)

4.3.5. Leadership and new incoming employees

As long as the working team is small enough, leaders are able to dedicate enough time to get to know all members and communicate with them directly. Eventually though, as the team grows, it will be always the case that leaders communicate mainly with the senior employees and new incomers are coordinated by seniors only. In order to retain those new incomers, lower fluctuations and develop their skills maximally, it is of top priority to take a special care about them.

At first, when hiring new employees, it is advised to search also for personal character traits that fit the company (compared to only reviewing extraordinary educational and professional records). The main reason for that is the relative easiness to learn more skills and capabilities compared to changing attitudes or a character. And since it is a decision with long run consequences, McKenna and Maister (2004) recommend not hiring people to just fill vacancies, but choosing them carefully so that you know you can cooperate with them, live around them and share the same spaces for years.

Selected incomers then go through so-called induction which is *“the process of receiving and welcoming employees when they first join a company”* (Armstrong, 2009, p. 603). Care provided to them during induction phase should avoid incomers to leave early because of lack of information, motivation or other confusions. It also reduces significant ineffective costs from replacement search and vacancies. Once in the company, new incomers (newcomers) should receive documents regarding company policies, safety rules or an employee handbook. In case of smaller companies, all must be presented at least in speech.

Considering the job itself, most important for newcomers is the opportunity to develop and build their skills (McKenna and Maister, 2004). That is why, besides getting wider perspective from switching tasks and teams at the beginning, newcomers need the proper job description and supervision at work. Job description is obtained during introduction to workplace which covers topics such as *“who they are going to work for, who they are going to work with and what work they are going to do”* (Armstrong, 2009, p. 605). More challenging can be the system of work supervision (to provide support to junior employees). According to McKenna and Maister (2004), it can be a hard task to provide proper supervision as there are often no standards defined regarding this process in teams of experts (in smaller companies). And yet the proper supervision is one of the main determinants of companies' financial success. They thus propose typical newcomers' supervision standards, for illustration:

- New employees exactly know what to do when assigned with a task or project
- They can see the relation of their tasks to team goals
- There is always someone around to be asked for advice
- Feedback is provided to them immediately (positive as well as negative)
- They are explained their mistakes in a constructive way
- Proper leading for their maximal performance is provided
- They get enough information for their work, are allowed to make necessary decisions, encouraged to propose ideas and can use their knowledge and skills
- Their work is challenging and interesting so that they can personally grow

One of the advised solutions is to assign to each newcomer a mentor or an instructor. That is basically just a formalized way of those above stated standards; nevertheless the gains for performance can be very significant. The instructor's role is to provide a career lead, to listen and be the first person asked for advices when necessary. Benefits emerge not purely for newcomers; instructors thanks to this role gain valuable experience in their interpersonal, social and emotional skills. And most significantly, it is a great chance to quickly identify prospected individuals that are likely to be the seniors' successors and lead them accordingly (McKenna and Maister, 2004).

Not a bit less challenging is then full engagement of newcomers in already established teams (with their own culture) and work projects. If this process of acceptance does not go well, it is likely that the junior worker will leave the organization soon. Such employee fluctuation is extremely costly and thus it needs to be avoided, for example with help of following principles (Armstrong, 2009; McKenna and Maister, 2004, p. 156):

- First impressions are crucial (introduce everyone, provide enough information and instructions), first four working weeks are then of no less importance
- Provide support immediately (someone needs to be accessible for incomers straight from the beginning, for example their own instructor)
- Explain working arrangements, notice performance and behavior standards
- Make them feel valuable (trainings and development opportunities show also that you care about professional growth of employees)
- Involve them to team culture and identity (boost the first introduction with team gatherings, lunches and dinners or team-buildings to create personal relationships)
- Communicate, communicate, communicate (good internal communication is essential, ask for ideas in surveys, send out voice mails and videos with comments on main events, use e-mails and newsletters, etc.)

4.3.6. Outcomes of good leadership

When all the leadership qualities, functions and skills are met (regarding senior workers as well as the approach to junior employees), there is a solid probability that many positive outcomes will emerge on the level of whole organization, team performance and individual work approach too.

According to ICI (1985, as cited in Thomas, 2004, p. 145) *"the outcomes of effective leadership were that people will:*

- *have a clear sense of direction and work hard and effectively*
- *have confidence in their ability to achieve specific challenging objectives*
- *believe in and be identified with the organization*
- *hold together when the going is rough*
- *have respect for and trust in managers*
- *adapt to the changing world"*

The positive gains from having skilled inspirational leaders in the organization are thus undeniable.

5. Research plan and hypotheses

The empirical research included several research tools, concretely pre-research inside company (covering managerial questionnaires, internal company materials overview and personal observations), qualitative part (management interviews) and quantitative part (employee questionnaires). These tools were combined in order to achieve maximal objectiveness (Nový and Surynek, 2006), respectively to obtain the most representative model of reality that confirms or disproves set hypotheses and allows preparation of valid recommendations.

The most important part of pre-research inside company was distribution and evaluation of questionnaires for the management board. These questionnaires aimed to identify potential challenging areas of people management perceived among the board members. Next pre-research part included internal documents overview, respectively identification of common communication channels and availability of information for employees. Pre-research covered also personal observations of the situation in the company.

In the qualitative research part I conducted personal semi-structured interviews with all seven company board members. Interviews took place within borders of this thesis on topics of communication, work motivation, job design and leadership.

For the quantitative research part I distributed and evaluated an anonymous questionnaire among the company employees. Questionnaires covered again the four main topics of this thesis (communication, work motivation, job design and leadership) and provided several open questions, and majority of semi-closed and closed questions.

On basis of pre-research and respective theory I reached to several assumptions and a set of hypotheses. As this work maps challenges of people management, assumptions and hypotheses either confirm or disprove expected weak spots resulting from the evolutionary management challenges (touched in the pre-research, thus the slightly negative tone) in order to identify the reality and properly constitute the final recommendations.

Managerial interviews were qualitative which is why a set of basic assumptions based especially on pre-research results was examined (instead of quantitative hypotheses). During the interviews I thus also focused on validity of following assumptions:

- Management board is aware of space for improvement regarding internal communication.
- Some internal communication channels are underestimated or not used for its full potential.
- Internal communication planning is missing and communication is triggered solely by ad-hoc work delegation requirements.
- Work reward system is based dominantly on extrinsic (hygiene) components.
- Jobs are not intentionally designed to be motivating; they only reflect current needs.
- Management board does not have dedicated time for leadership activities.

Employee questionnaires were quantitatively based and thus I could examine several concrete hypotheses. These were based again on results of previous activities with company (especially on management pre-research replies and mapped communication situation) and literature overview. Hypotheses for the quantitative part of research were:

1. H1: More than 70% of employees know the company vision.
2. H2: More than 70% of employees know “what is going on” in the company.
3. H3: Less employees shorter time with company (less than two years) know about development opportunities than those longer with company.
4. H4: Less than 50% of employees receive regular feedback on their work.
5. H5: Social interactions are positively perceived by more than 90% of employees.
6. H6: Work remuneration is dominantly regular salary based, while other more intrinsic components receive less than 50% of employees.
7. H7: Less than 70% of employees have a clear idea about formal parts of their positions (their job description).
8. H8: Leadership qualities are perceived among the management board significantly more positively (more often) than leadership functions.
9. H9: Less than 70% of employees rate positively components of their induction period.

6. Researched company - MEMOS Software introduction

MEMOS Software s.r.o. was founded in 2003 with an idea of custom software development for corporate sphere. MEMOS Software is located in Prague, Czech Republic and has also a small subsidiary in Minsk, Belarus (formerly for development purposes, but currently operates there only a newly established small call center). Main scope of work covers Microsoft Outlook add-in and applications development (with an Outlook integrated CRM system as a flagship), Internet solutions (web portals, sites and applications), innovative Internet 3D graphic solutions (Unity3D), applications for mobile accessories and devices (major Smartphone platforms) and Business Intelligence development. There are currently 44 employees in the company. Customers of MEMOS Software are Czech and foreign companies, while about half of revenues come from abroad – most often from USA, Great Britain, Finland and Denmark.

MEMOS vision is to be a world leading supplier of innovative product lines and integrating services for middle- and large-size organizations. This vision is a completely new one, introduced in spring 2011 (however, there was no clear formal vision before).

The general mission of the company is to provide superior quality IT development services for the highest obtainable benefits of its customers.

Considering the working environment, I would split it in two levels. On the first level, there are people and their mutual relations. I have to emphasize that overall atmosphere in the company is very friendly, open and people are available to be approached. The social interactions thus evoke a very convenient working atmosphere without (or with only a limited amount of) personal conflicts or unhealthy competition. Board also stresses this as an important benefit of work at MEMOS. The other level is a physical environment. There are five big open space office rooms in Prague shared by majority of employees and managers and one office in Minsk (not observed). Prague offices are located at Kubánské náměstí in the office building Garden Eleven. These offices are equipped with necessary working tools (dominantly computer stations), but that is actually pretty much it. Besides a somewhat creatively arranged meeting room (used for meetings with customers) into corporate design with an awards display, there is no sign of some corporate design or company vision propagation, notice boards, no results statistics or progress reminders, no company events photographs, etc. The look of offices thus evokes a very plain impression.

Even though the company was growing organically at a very high pace from the very beginning, recent years has shown to bring rather negative trend of stagnating growth and increasing speed of people fluctuation. Revenue goals were far from achievement for at least three consecutive years now. The world economic crisis can be named as one part of that problem (during economic expansion is the company growth much easier), but on the other hand problems with organization of work and people management caused by higher number of employees imply that the second part of the stagnation problem (and possibly dominating part) is caused by struggling with transformation into a rather middle size company with more formal structure, necessary people management activities and more formal work organization that would re-establish the lost former productivity. This work aims exactly on the second problematic area.

7. Research methodology

MEMOS Software is a rather small company which allowed me to approach complete company board consisting of seven managers and, as the first step, conduct a qualitative pre-research in the form of a survey which was completed by five of them. I used 13 open questions to identify mainly perceived weak spots, experience and opinions regarding employee relations, communication and overall working atmosphere. The pre-research questionnaire response period was February 2011. Acquired results were then evaluated and the common pattern of answers was summarized for further use.

As part of pre-research I studied internal company materials and typical communication channels as well as information sources inside the company, to which I also accompanied personal observations. The full pre-research questionnaire and results summaries are attached as Appendix 1 and Appendix 2.

With respect to formulated assumptions and hypotheses, four areas corresponding to four main topics of this thesis (Internal communication, Work motivation, Job design and Leadership) were researched on.

In the first part covering interviews and assumptions confirmation I conducted a qualitative research in the form of standardized (semi-structured) personal interviews with all seven board members. Those interviews took place between 25.7.-5.8.2011 and provided answers to three identification questions, twelve closed questions with scale and multiple choice options (but with space for alternative option or comment) and 20 open questions. All managers replied the questions personally with assurance that their name will not be taken into account for any further evaluation. As an advantage of the personal interview form, comments were allowed to all questions. The full interview questionnaire is attached as Appendix 3.

The quantitative research part focused on all company employees (less management board and author) with an electronically distributed questionnaire that was completed by 27 of 34 company workers (three employees were not approached for their only recent start at MEMOS) resulting thus into 79% return rate. The smaller company size allowed aiming to all employees instead of proportional sample selection. Questionnaire was distributed online which among practical benefits allowed also for full respondents' anonymity. The possible positive gains for people management and added value for management board were explained while distributing the questionnaires and short explanation was also provided at the beginning of the form in order to increase participants' engagement (anonymity was also emphasized). The questionnaire covered the four main areas of this thesis with help of four identification questions, two open questions and 22 semi-open and closed questions with scale options and multiple choice selections. All multiple choice selections offered an extra option "Other" with a text field. The questionnaire response period was from 31.7.-5.8.2011 and its full version is attached as Appendix 4.

8. Research results

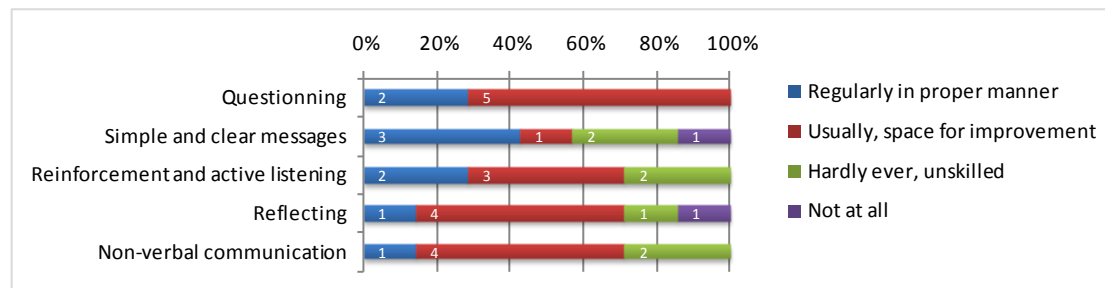
8.1. Qualitative part - interviews with company management

The qualitative research part was based on personal interviews with the whole management body of company in order to analyze validity of set assumptions, bring background details and the other point of view, and also basis for comparison to employee questionnaire results. There are seven company board managers that all participated in the research. They are all men and their time with company is scaled from eight years in case of company founders, seven years in case of Chief Architect, five years in case of Technical Director, eWay Director (one division) and Head of Belarus team, to three years for Web development Director. Not uninteresting is the fact that none is older than 35 years, while the youngest member is 25 years old.

8.1.1. Communication

The first question addressed to management board asked about personal rating on usage of effective discussion methods (see Figure 7 below). Managers rated questioning and reinforcement with active listening as rather ok with space for improvement, reflecting and non-verbal communication (stressing the fact that it is rather unconscious) as usually used with two rather negative replies for reflecting and two other for non-verbal communication. The biggest portion of lacking skills in this rating received simple and clear messages.

FIGURE 7: EFFECTIVE DISCUSSION METHODS



Source: Author's empirical research

Second question examined the meaning of internal communication for the board members. Three answers stressed rather process orientation where internal communication serves for work delegation and cooperation so that the business works. Next three answers differentiated work processes on one side, while the other side focuses on strategy, vision communication and belonging to company. The last answer emphasized only the strategy and vision side which should ensure that everybody is going in the same direction as the company aims to go.

In the third question managers rated usage of internal communication channels from their perspective (see results in Figure 8 below). This is also the first question allowing comparison to employees' ratings.

Instant messaging completely dominates in the company (all seven managers replied regularly) and since it supports quiet environment, it is probably a good thing.

Typical are naturally phone calls and also e-mails are plentifully used by everyone.

Web meetings scored still high mainly because of remote customer presentations and meetings.

Internal Wiki is perceived as quite often used tool (from the management perspective).

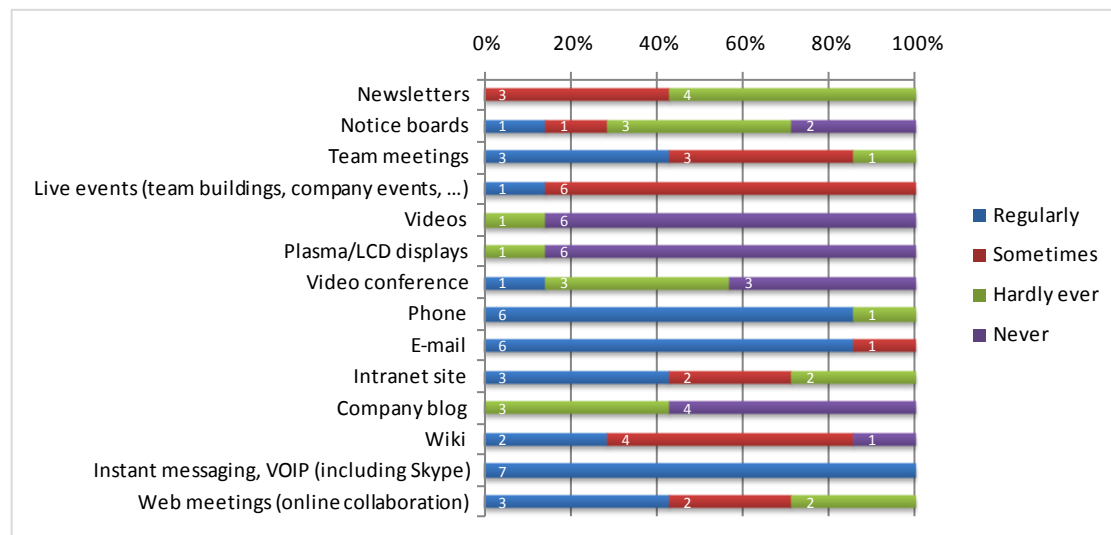
Intranet site scored in the middle still with some regular ratings.

Not a very good position received newsletters perceived as rather hardly ever used, notice boards perceived as never used by some (but regularly used in Minsk) and company blog, which is very outdated (explained as too time demanding to maintain).

Proper video conferences are very rare and videos are perceived as not really useful.

On the other hand, LCD displays with a dashboard are already in planning stage and thus their usage can be expected (since it is considered to have a good impact not only on employees but also visitors).

FIGURE 8: DIRECT CHANNELS OF INTERNAL COMMUNICATION



Source: Author's empirical research

Some indirect channels of internal communication were in focus of question four. Office environment and equipment were perceived by three members as already ok with only regular cleaning necessary. Minsk director stated that they started with small adjustments recently and in the long term they will move the office (so it is taken into account and will be considered even more when selecting new premises). The rest emphasized the question of money which determines the slow pace of further improvements; nevertheless they are planned and considered as important.

Refreshment and dining options were considered as satisfactory on the basic level as they currently are by two members, while others would appreciate higher level that is still to be achieved (plus in Minsk is yet unusual to go for lunches together).

Everybody then rated social interactions as extraordinary or very good at least. In relation to that, managers perceive themselves as very open to everybody (even though it might be time consuming from time to time).

Good reputation is considered to be present and ethical standards were emphasized as its important part (nevertheless PR activities were recently stopped for its ambiguous merits).

On the other hand, company culture and traditions are considered to be rather a weak spot with a need to start build more traditions in order to promote feelings of belonging. Minsk director then actually seeks good examples and inspiration what activities to start in order to improve the situation. But still, there are some minor rituals currently present in MEMOS, e.g. common lunches.

Considering the company vision, three managers knew it by heart when asked, two answered approximately and two could not have really stated it. The next question examined sharing of this vision with employees and interestingly only one communication channel and one instance only were mentioned by all, concretely individual meetings during spring of 2011 with every employee.

Foreknowledge of employees regarding general company situation was guessed as basic or limited by one manager while described as satisfactory like this – I would warn against this attitude. Even though the situation was described as improving, two other board members mentioned a weak spot of information sharing in being dependent still mainly on the word of mouth and generally low foreknowledge. Narrowly connected to this concern is next remark which stated that actually only those employees who are proactively interested in knowing more get all the information they need, while passive individuals probably do not get informed properly. Overall there is a clearly perceived space for improvement.

The eighth question focused on front-line staff consultations in cases of new procedures or tasks. One manager said he only communicates the decisions and benefits without previous consultation (yet being aware of not using an ideal approach) and one other perceives fewer consultations as the company grows. Two approaches were almost similar replying that it always depends on individual cases, e.g. when someone is already responsible for a process or task then its change is consulted first, otherwise it is designed independently and communicated is only the result. Two common attitudes use mixture of some individual pre-design and consequent consultations with front-line staff, but the final decision is still kept independent (even though aim in the other direction is pursuit). One manager only said he always consults everything that is connected to other's people work.

Internal communication planning and thus some standardization were examined in the question nine. Two managers simply do not observe any planning regarding communication of company goals, visions and strategies, company expectations or statistics (content level). Next three board members admitted that there are some points in company strategy regarding communication content planning (e.g. regular trainings and company gatherings), but in the end these actions usually do not take place and are not exacted. The last two admitted that this kind of communication takes place only when a need emerges.

Majority of communication is then considered to be delivered to all employees regardless of their position while management members still keep some information among them only. That is why adjusted messages for individual communication audiences are rather not present.

As aspects of standardized communication were listed feedback delivery from project managers to the rest of the team at the projects' ends, standardized usage of tasks in MS Outlook, standardized usage of internal CRM system (eWay), some processes noted in internal Wiki and board decision log.

The last question in communication section simply asked about usage of feedback delivery from managers to their sub-ordinates in general. Only two board members stated that they regularly provide feedback, while others selected "sometimes" option and some noted that there is yet no regular routine for feedback sessions introduced.

Communication summary

Managers generally rated their usage of effective discussion methods quite critically with only individual cases of regularly used techniques, dominating selection of occasional usage of most of them with space for improvement and skeptical opinion regarding simplicity and clarity of their messages.

Majority of board considers internal communication to be a tool for company goals and vision sharing. Although direct communication channels usage did not score significantly positively or negatively (as underused), indirect channels still provide enough space for improvements as well as employees' general foreknowledge of "what is going on" in the company. More future front-line staff consultations are perceived as desirable by managers and so is an introduction of regular feedback sessions. The first assumption stating that *"management board is aware of a space for improvement regarding internal communication"* can thus be considered to be valid.

Direct communication channels are perceived by board members as used properly when necessary by those who need it, while only lacking significant use of unessential tools that are rather "nice to have" (e.g. company blog, videos). The indirect communication channels' rating on the other hand was rather negatively inclined, yet since the need for improvement was independently stated by several managers and ascribed mainly to question of money, no general underestimation was identified, nor were channels that would be deliberately omitted by the management board. That is why the second assumption stating that *"some internal communication channels are underestimated or not used for its full potential"* was incorrect.

Communication planning generally includes content planning, message adjustments for target audiences and standardized messages. Majority of board either lacks planning of communication content or admits its poor compliance. Despite rather smaller number of employees, there are clearly distinguishable audiences for which the communication is usually not adjusted. And since there are only minor communication standardization aspects (such as usage of unified IT systems), the third assumption claiming that *"internal communication planning is missing and communication is triggered solely by ad-hoc work delegation requirements"* appears to be valid.

8.1.2. Work motivation

The first question in work motivation section asked about approaches used to make work motivating, whether and how it is considered. The first three managers were rather hesitating and stated that they are either aiming to make it motivating but uncoordinatedly

in the first case, or, as two of them emphasized, it is often given by the nature of tasks and thus the only thing left is to decide for whom it could be motivating before delegating it. Next two answers pointed out that it is always considered and thus the work should be interesting and provide space for personal growth. The last two members nearly identically explained their perception of monetary bonuses as only shortsighted approach (but they are present) and emphasized the proposed responsibility which according to them should be the main motivator (e.g. make one developer responsible for the whole code in case of more cooperating developers and emphasize that it is their piece of work).

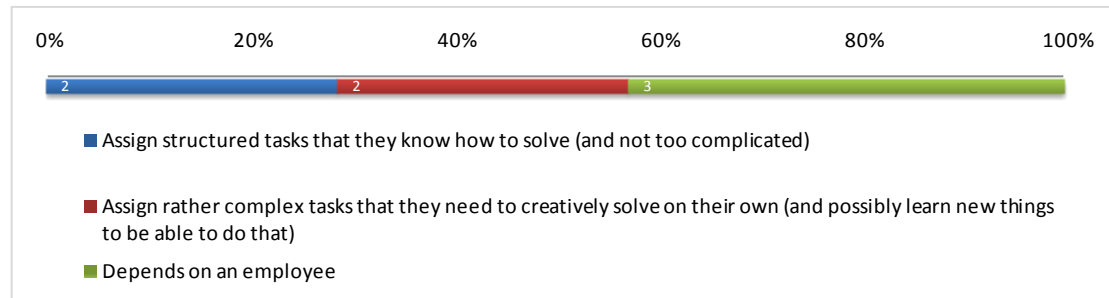
Complementary to nature of work is working environment asked about in the second question. Three board members did not realize any efforts aiming for working environment enrichment or adjustments to make it motivating to work in. Next manager identified some minor actions taking place every now and then which aim to eliminate some negative tumults for example (thus only correction of negative factors). The rest of managers (three) stated their willingness to improve the overall environment so that employees could identify with it better and feel better, but these efforts are slowed down by budget restrictions.

The third question examined importance of inner employees' work motivation during selection process and whether or not it is a selection decision factor. According to three managers it is a very important factor and the concrete candidate's motivation for the position is always considered (by one manager also noted down for future use). Two managers expressed skepticism towards the possibility to recognize it during a short selection process, nevertheless they also think of it as an important decision factor. The last two members are not selecting their sub-ordinates personally and thus did not answer the question.

Much more alike were reactions to question four about awareness and usage of individual motivations of each sub-ordinate. Four managers answered they are considering individual motivations of their employees, believe that they know them and consequently use them for the best possible result. The other three answers were in the same spirit, nevertheless emphasized rather a rule of thumb approach meaning that they work with individuals' motivations more naturally (based on feelings).

Nature of working tasks assigned to employees was examined in the fifth question. As you can see in Figure 9, less motivating structured tasks assigned to sub-ordinates were admitted by two board members, one referring to his previous bad experience (even though he would actually prefer to give complex tasks) and one explaining that it is the only way to be sure that a project will be completed in the exact way as required. Three members pointed out that it always depends on concrete individuals (which is in close connection to previous question) and thus based on individuals' skills and inner motivations are delegated either structured or complex tasks. The last two managers according to them assign rather complex tasks with space for learning and they emphasized the responsibility related to that approach as a positive benefit.

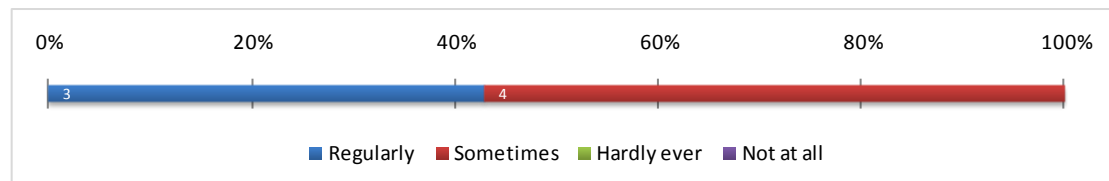
FIGURE 9: WORK ASSIGNED TO SUB-ORDINATES



Source: Author's empirical research

The sixth question asked about usage of motivation brought about by sharing of results, respectively progress in projects and related company goals (see Figure 10 below). One manager clearly rated his performance as weak regarding this motivation tool, but together with one other manager still aims for at least "sometimes". The next two board members differentiated target audience, where developers are informed rather sometimes and project managers more regularly. The rest went for "regularly" option, even though they admitted that simple project results are often communicated but their connection and relevance to company goals might be clear only to pro-active individuals (that seek more information). Overall, majority of managers felt that they do not relate progress to company goals in communication.

FIGURE 10: SHARING OF PROGRESS IN PROJECTS AND COMPANY GOALS



Source: Author's empirical research

Forms of work remuneration (extrinsic and intrinsic) were in focus of question seven. This question again allows comparisons to what employees think of it. Interestingly there is some ambiguity among management deserving more attention.

As you can see in Figure 11, regular salary is naturally always present, but usage of performance bonuses is already mixed – two managers say "regularly", two "usually", one "hardly ever" and two even "never". I would explain these contradictions as based on target audience, where some sub-ordinates (e.g. project managers) of certain managers can get performance bonuses, while for example developers probably cannot and sales team still lacks some clear guidelines. It is definitely something to think about.

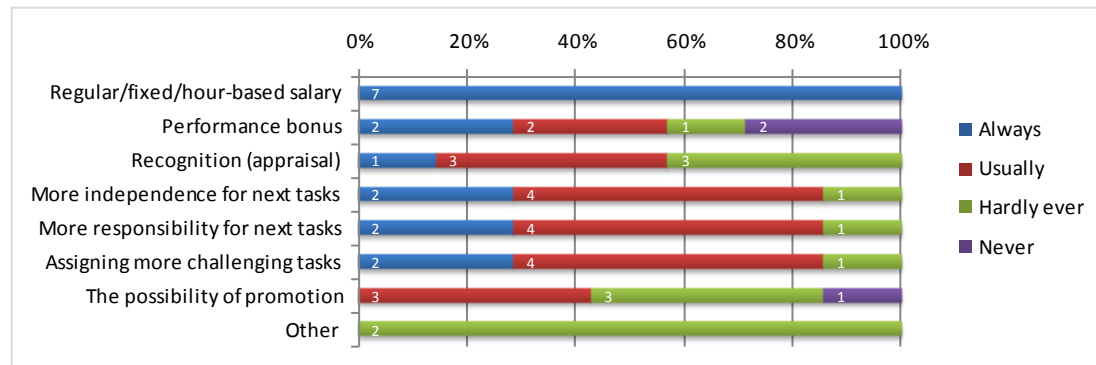
Recognition is provided regularly by one manager only, usually by three others and even hardly ever by the rest (one manager admitted this to be a weakness). Again, since it does not cost anything, it is a thing to consider.

Independence, responsibility and more challenging tasks scored similarly as partially regular, mainly usual and with one "hardly ever" instance (from the manager who prefers structured tasks to be sure about the result) and they are perceived as deeply interconnected.

Promotion possibilities are rather small because of the flat hierarchy structure, nevertheless change in job description and job role is usually possible and good performers can choose their specialization.

And despite being very rare, examples of other remunerations were mentioned; for example a special event at the end of a project organized by a satisfied client or a foreign business trip for a developer (customer can thus benefit from easier communication and developers gain positive intrinsic motivation).

FIGURE 11: WORK REMUNERATION



Source: Author's empirical research

The last question in work motivation section aimed to find out whether general aspects of motivation frameworks are present in work on specific projects (one of co-founders is currently not involved in project tasks and thus did not participate on the question). One manager answered that sub-ordinates have hardly ever set goals and targets to achieve, which is not very good. Even though the majority is convinced of regularity in goal settings, a remark was made pointing out that there are goals set, but their proper communication might be problematic.

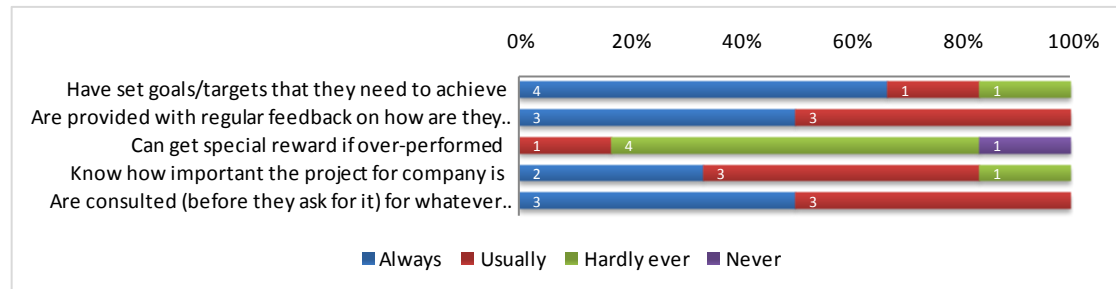
Feedback usage scored in the middle of general feedback question from communication part and progress sharing with three "always" answers and three "usually" replies.

A special bonus when tasks were over-performed is obviously a missing part of motivation framework with one "never" answer and dominance of "hardly ever" selections.

One board member was skeptical regarding employee knowledge of importance of their work, three members believe that usually it is clear and the last two answered that they stress the importance always personally (even repeatedly).

The consultation and enough information sharing up front of a project are perceived by three members as always present and by rest as usually taking place (with at least good intentions to do it). Results are shown in Figure 12 below.

FIGURE 12: MOTIVATION FRAMEWORK ASPECTS



Source: Author's empirical research

Work motivation summary

Efforts to prepare motivating work are recognized by management board with special stress on responsibility delegation. Working environment on the other hand is according to interviews not really systematically adjusted as well as inner motivations of newcomers are considered only by minority of managers.

Employees' individual motivations are taken into account by all managers and nature of assigned working tasks is mixed with usage of both structured and complex tasks.

In progress sharing were identified some possible weaknesses and options for higher motivation. And since usage of remuneration tools is not unified for all employees (and some motivating elements are only rarely used), there is clearly a space for revision of those.

Similar are results on several work motivation framework aspects which revealed rather positive intentions of management to use them but also several limitations that they already know of.

Taking into consideration these results I cannot clearly support or deny the fourth assumption stating that *"work reward system is based dominantly on extrinsic (hygiene) components"*. Main reason for this ambivalence is the reality where on one side managers aim to know employees' inner motivations, but on the other side they are not unified in the remuneration system usage, progress sharing or working environment enrichment.

8.1.3. Job design

Job design section started with a first question finding out whether there is a formalized job description for every work position in the company. With one manager answering clearly no, majority of answers prevailed with opinion that rather yes for most positions (but often decentralized and thus not really obvious). On top of that, there is according to them some need for flexibility, some roles overlap and some are not described yet.

The second question is closely related to the first one by asking whether employees have a form with or know about a location with their job description stored/accessible. Again, one negative answer was followed by majority of positive replies with different comments. Internal Wiki was marked as the only possible location containing accessible job descriptions about which were all employees informed during the induction period. However, it is still considered to be a weak spot and hard to say whether people use it. Differentiation was also emphasized between employee groups where for example project

managers' roles are described while developer positions or some customer related jobs rather not (which I can confirm as one of materials overview findings).

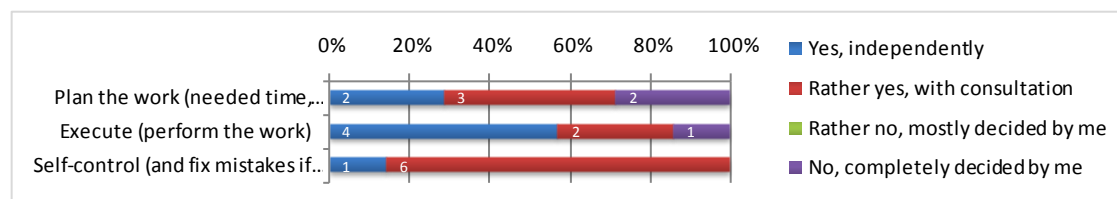
In order for jobs to be motivating, they should be designed so that workers use maximum of their skills and get adequate responsibilities. The third question thus examined whether or not is this considered for job descriptions. Despite one negative reply (as a consequence of previous negative statements), two managers claimed that generally it is taken into account when possible and the rest of board answered with even stronger yes. According to that majority every time those skills are known of, work is adjusted so that the individual can use maximum of his/her potential and on top of that receives some challenge. Delegated responsibilities were again mentioned as part of it. Yet, this is rather reactive approach and does involve only little from actual designing the jobs up front to provide motivations.

The more elements of each task (planning, executing and controlling) are individuals or teams allowed to perform independently, the higher the motivation should be and thus this was in focus of question four. As you can see in Figure 13, four managers allow completely independent execution of the work and two prefer to be consulted. A remark was made, quite obviously, that project managers have more space in execution than developers who are consulted quite often.

Different is then approach to planning of the work where two managers only allow independent planning, two managers completely decide the plan and the rest prefers consultations (with remark that sales also play role in planning). Planning thus provides largest space for widening of responsibilities.

Regarding self-control as the third element, given the nature of software development work I believe it is a good approach by majority of managers to allow self-control (including fixing of shortages, etc.) based on consultations. The one independent self-control choice expresses approach of one of co-founders in relation to the management board.

FIGURE 13: BASIC TASK ELEMENTS AND THEIR INDEPENDENCY AT WORK



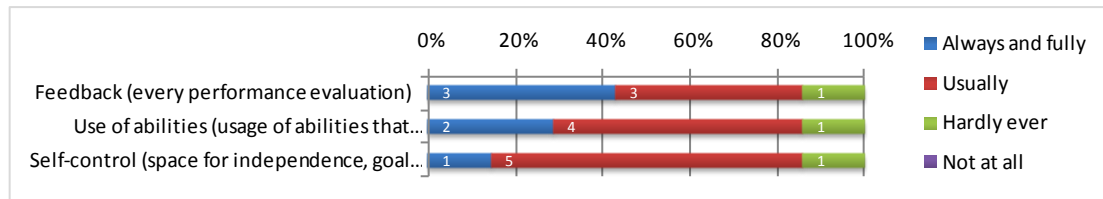
Source: Author's empirical research

The last question of job design section examined the three basic intrinsic characteristics required for jobs to be motivating, respectively asked which are present (see Figure 14 below). Despite feedback scoring rather low in communication section, as an intrinsic job motivator was stated by three managers to be used always and fully, by three as "usually", and by one as "hardly ever".

The usage of abilities, which employees possess and value, was rated as always present by two managers, usually present by four of them and hardly ever by one. Comments here pointed out that there are some limitations based on the acquired projects and thus not only super interesting work is to be done all the time.

The space for independence and self-control (which is also the third basic element of each task) scored almost equally to use of abilities (less one “always”) with a remark that it is rather individual from person to person.

FIGURE 14: INTRINSIC JOB MOTIVATORS PRESENT AT WORK



Source: Author's empirical research

Job design summary

Even though formalized job descriptions for some positions are still missing, management board assumes most of descriptions to be present and expect workers to know where to access them.

Positively was rated the usage of employees' skills which is one of intrinsic motivators, but tasks' elements still provide some space for improvement, especially in case of task planning delegation. I would expect some space for improvement also in case of regular feedbacks, while on the other hand the use of abilities and self-control despite not scoring particularly high is probably almost on satisfactory level (especially because they are mainly restrained by project limitations, not by lack of trust from managers). Nevertheless, intrinsic job motivators should still be strived for and “hardly ever” category should be transformed into “usually” at least.

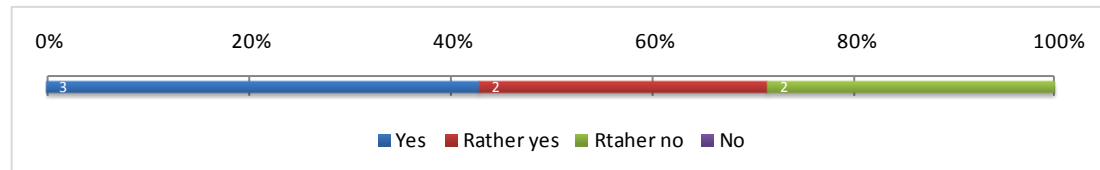
Based on management answers I did not find the assumption “*jobs are not intentionally designed to be motivating; they only reflect current needs*” to be true. Despite significant space for improvements, managers generally emphasized their active efforts towards creation of motivating jobs (which I can only support).

8.1.4. Management and Leadership

Management and leadership was the fourth and the last researched topic. In the first question I simply asked the management board what the term leadership means to them. Surprisingly all board members replied more or less similarly and described leadership as leading people by being an example to them, providing mentorship, evoke trust and aspirations and to provide rather consultations and help instead of giving orders. If I were to grade this crowd-sourced definition, it would be A- or so, so close to formal definitions managers are.

The second question examined whether or not do managers experience issues with keeping “the basic rules of the game” within the expert working environment (which software development undoubtedly is). Even though majority of them answered that this kind of issue really is present inside company (see Figure 15 below), only three managers replied with strong “yes” (from the comments emerged that managers perceive it among themselves too). Other remarks on the other hand emphasized that it is usually successfully taken care of (at least on lower hierarchy levels) and thus no serious problems emerge.

FIGURE 15: DIFFICULTIES WITH KEEPING THE BASIC RULES OF THE GAME



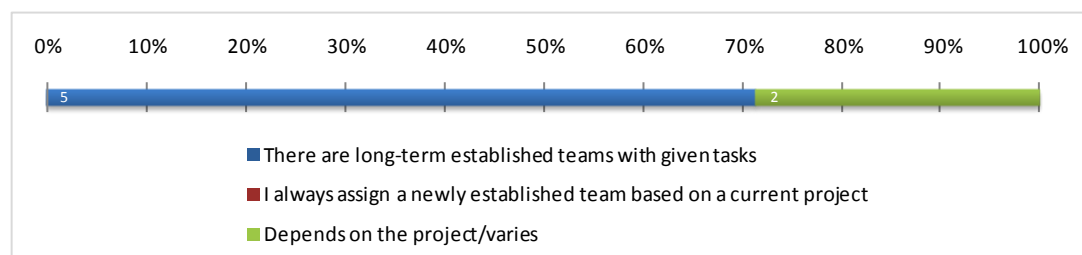
Source: Author's empirical research

Job and leading role combination was in focus of the third question which asked about the need to perform original job role once managers became responsible for other people (it is basically an introductory question for the next one). All of them replied that naturally yes and actually all of them still do have to perform more or less parts of their former main job roles. The strongest will to focus purely on leadership functions stated one of the founders of MEMOS who is currently more pro-actively delegating most of his former daily tasks.

With regards to question three, change of working time distribution in between leading role and former daily working tasks was examined in the question four. Only one manager replied to actually plan dedicated time for leading activities, one stated that he reserves some time for people when necessary and tries to dedicate more time there, but the others answered not to have any dedicated time for leading tasks (one manager directly expressed the need to work considerably longer hours to manage both roles). On top of that, all managers feel some time constraints and overload with regular tasks and leading tasks that are performed rather operatively "as they come". Two board members also directly admitted this to be a weakness in company organization.

Question five tried to identify to what scale is taken advantage of already established teams (in their performing phase). One manager directly stated his pursuit of the long-term established teams' usage as the more effective variant; there he is for sure correct. Another manager assigns rather smaller structured tasks to the same people every time. Three board members also stressed their preference for long-term established teams and the rest emphasized the flexibility needs which make it differ from project to project and thus they use both approaches (see results in Figure 16).

FIGURE 16: NEW VERSUS ESTABLISHED TEAMS USAGE



Source: Author's empirical research

The sixth question focused on importance of personal traits of newcomers on top of their professional skills. Two managers replied that they do not take active part in people selection process, but one of them noted the confidence that personal traits are generally considered. The rest of board replied that these traits are always taken into consideration, even though sometimes there are fewer applicants than would be preferable and selection is thus limited. One manager then expressed the current need of specific personal traits inside MEMOS which makes it partially more important than professional skills. Another

board member explained his great experience with short personal tests that can reveal even traits that would otherwise stay hidden during the interview. As long as these tests are short enough, they might be perfect complements to regular interviews.

In the seventh question were managers asked about whether they try to match the newcomers and their job descriptions in terms of mutual attractiveness (so that people would not leave soon). Two board members answered rather skeptically with remarks that the competition can usually offer comparable jobs, plus the reality, in which the opening at MEMOS emerges from a certain specific need on a project, leaves only a little space for making the job more attractive (in case it is not). Next three members simply stated the effort to provide only interesting jobs. And the last two again agreed on the need to match newcomers with enough interesting job positions and remarked that they always explain the benefits and shortages of work for a small company up front.

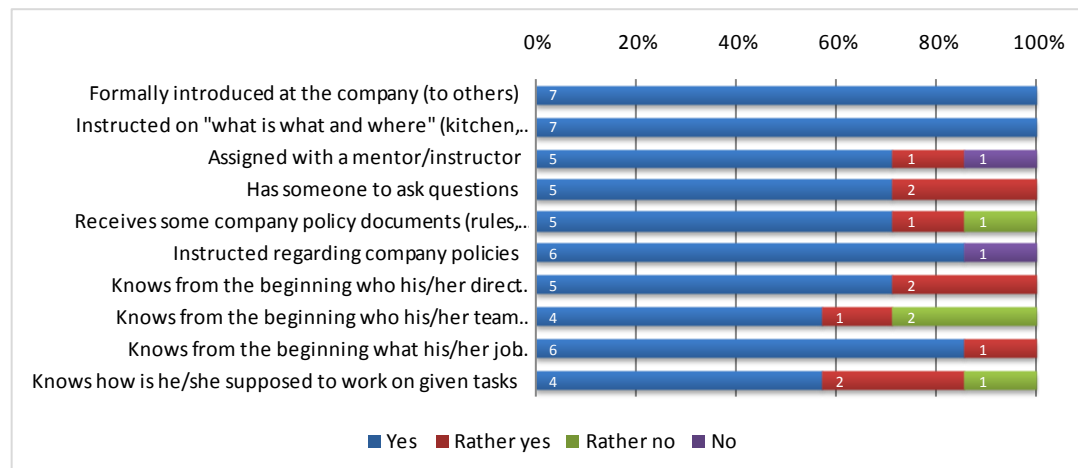
The last but one leadership question focused on managers' point of view on processes related to newcomers' introductions inside MEMOS, which will also be compared to employees' point of view later on. All board members are convinced that newcomers are always formally introduced to others, instructed regarding the company premises, and know what their job description is (one "rather yes" reply).

All but one member are sure that company policies are explained and almost the same applies for direct supervisor awareness where only two managers hesitated with "rather yes" option.

Still quite strong conviction can be observed in case of a mentor/instructor assignment which is a directly related question to "has someone to ask questions" (almost similar result with five times strong "yes") and approximately the same result achieved company policies documents (in one comment specified as mainly Wiki descriptions, coding standards and some internal documents) given to newcomers. On top of that, one manager (but only one) stated that newcomers have planned regular meetings with their mentors/instructors.

The weakest perception by management left to actually knowing "Who the team colleagues are" and knowing "How to work on given tasks", but still majority believes that newcomers do know that (see full results in Figure 17).

FIGURE 17: INDUCTION RELATED PROCESSES



Source: Author's empirical research

The very last question focused on efforts exercised against costly people fluctuation. One manager replied that it is not a big issue and thus there are rather limited efforts. The next manager admitted it to be a considered topic which is typically dealt with by presenting MEMOS as a stable place of work and by various other motivations. The rest of board members (who agreed that it is a topic they think about) noted mainly promotion of good personal relations, live events and team-buildings, flexible working hours, professional trainings and development options but also the opportunity for employees to promote own ideas and projects.

Three specific remarks deserve more attention. One manager explained that especially already proved valuable employees are given more attention and in case of a threat of them leaving the company, there are always personal negotiations taking place in order to re-motivate the person to stay. The second remark was regarding some former usage of psychological screenings that proved to be very informative and effective as a personal decisions support tool (noted by other manager than the one using tests during interviews). And the last comment from one of board members expressed a proposal (or wish) to create a guide or set of instructions that he is currently missing; based on which people could be quickly evaluated in terms of their added value for the company. With help of this evaluation would be then possible to decide whether to offer better conditions to that person when necessary or to look for someone else instead.

Management and leadership summary

Although leadership topic will provide more of interesting information based on employees' replies, some conclusions especially regarding the management board perception of leading activities can be drawn here.

Board members share general idea of leadership as leading by example and through consultations and overall they do not perceive keeping the basic rules as a serious issue.

With respect to the company size all members even now still perform at least partially their previous main job roles and all but one confirmed not to have dedicated time for leadership activities and people management only. Most of leading is thus performed as part of everyday operational work with little to no planning and it was directly identified as a possible weakness (mainly because of caused overload).

With respect to direct replies of the management board was the sixth assumption stating that "*management board does not have dedicated time for leadership activities*" confirmed.

Managers also expressed their preference for long term established teams, the importance of newcomers' personal traits to match with company environment and also the need to offer them attractive jobs.

The presence of induction processes will be then compared directly to answers of workers. Among the most important factors of fight against people fluctuation were mentioned social interactions like personal relations, positive reinforcements, live events, team buildings as well as some personal growth options, trainings and professional development opportunities.

8.2. Quantitative part - employee questionnaires

The second part of research among employees of the organization was performed in the same topic borders as managerial interviews, but most questions differed and used closed or semi-closed form. Those questions that were similar to interview questions are used to compare differences in perception between management board and employees of the company.

Segments of employees were after consultations with company management board formed into four basic segments; concretely developers, project managers, call center employees (despite their small number) and Others (segment of unassigned employees either for them not stating their position or having only one or two of its kind). As age plays no role in software development (at least for the company board), segmentation with respect to age was not used, but instead two segments differentiating time spend with company were created. Slightly over half of employees thus belongs into the group “less than two years with company” (newer employees) and the other half to the group “two and more years with company” (older employees). The concrete description and segmentation of respondents is shown in Figure 18 below.

FIGURE 18: RESPONDENTS SEGMENTATION

	All	rel.	<2years *	rel.	=>2years *	rel.
Male	24	89%	13	48%	11	41%
Female	3	11%	2	7%	0	0%
Total	27	100%	15	56%	11	41%

* One person did not state time with company

	Dev.	rel.	PM	rel.	Call c.	rel.	Others	rel.
Male	12	44%	6	22%	1	4%	5	19%
Female	0	0%	0	0%	2	7%	1	4%
Total	12	44%	6	22%	3	11%	6	22%

Source: Author's empirical research

8.2.1. Communication

Communication or more concretely company internal communication was the first examined topic. As already mentioned earlier, MEMOS Software has re-stated its vision recently and this new vision was communicated to every employee during an individual personal meeting over the period of spring 2011. The first question thus asked about company vision. Out of 27 respondents there were 16 vision statements.

In case of developers, only five out of twelve tried to answer and from that number three of them knew the correct vision and two stated rather parts of it or related general activities.

Project managers scored better, out of six answered five project managers and four of them knew the correct vision while only one stated rather minor related part of it.

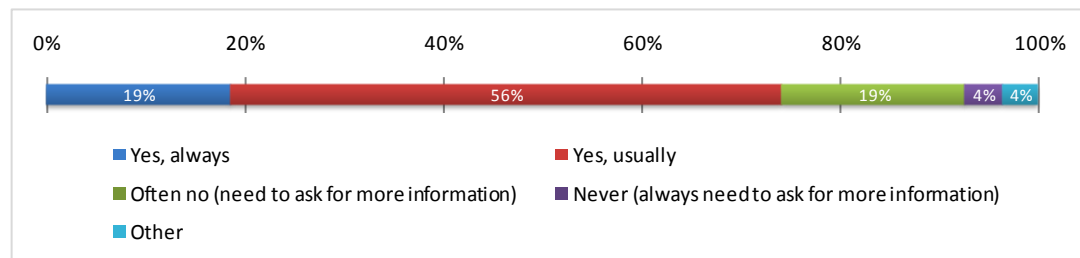
In case of call center, there were two answers out of three people; one of them was approximately correct and the other one stated rather related general activities.

In the last group consisting of individual positions and anonymous positions answered four out of six people, while one person knew the correct vision and three others rather stated the general related activities (leading to the vision).

Based on the fresh communication of new vision, it is not a very convincing result to have only 33% success rate on vision knowledge and another 26% on at least approximate knowledge of the vision related activities, altogether accounting for 59% awareness about vision of the company.

The second question aimed to analyze to what extent do employees feel that they are provided with enough information regarding their tasks and duties already up front (when delegated). As you can see in Figure 19, 75% of respondents answered that they are “always” (19%) or “usually” (56%) provided with enough information so that they know all they need to start working on a task. The largest proportion of informed people was among those working over two years at the company (91%), while among those below two years it was considerably less (67%). Looking at the working positions segmentation, 93% of developers, 83% of Others, 67% of call centre sales people but only 50% of project managers feel to be informed up front adequately. That is also why project managers have the largest proportion of negative answers, concretely 50% for option “often no (need to ask for more information)”.

FIGURE 19: PROJECT UP FRONT ADEQUATE INFORMATION



Source: Author's empirical research

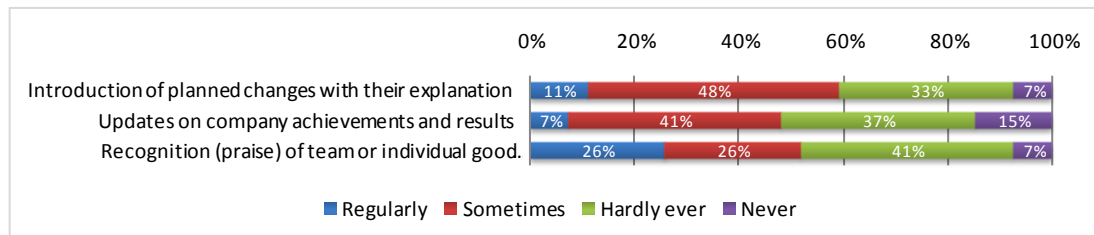
Some typical examples of internal communication goals were asked about in the question three. Employees were supposed to rate the frequency of individual elements based on how they perceive them on the work place (see Figure 20).

On the whole sample level, only 59% of people answered to perceive introduction and explanation of planned changes either “regularly” (11%) or “sometimes” (48%). Call center employees gave the highest possible score of 100% to rather positive perception, where “regularly” achieved 33% and “sometimes” 67%. Others rated positively changes’ proper explanation in 67% of cases, project managers as well and the lowest perception was expressed by developers with only 41% combined, where “regularly” was chosen in 8% and “sometimes” in 33% of cases. People longer with the company rated their perception of those explanations in 45% of cases, while employees under two years in MEMOS rated it positively in 67% of cases.

Updates on company achievements and results are regularly observed only by 7% of employees and by 41% of them sometimes. From those below two years with company, none selected “regularly” option and 40% selected “sometimes” (leaving 60% for “hardly ever” and “never” options). People longer in MEMOS selected “regularly” in 18% of cases and “sometimes” in 36% of cases. The lowest rate was given by Others (only 17% of replies for “regularly” and 17% for “sometimes”) and by developers with none answering “regularly” and 42% of them choosing “sometimes”.

The third element of this question asked about perception of recognition or praise (either on individual or on team level). From all respondents selected 26% option “regularly”, 26% “sometimes” and majority selected “hardly ever” option (41% of cases). More often is recognition observed by people longer with company (36% “regularly”, 18% “sometimes”) compared to the newer group (20% “regularly”, 27% “sometimes”). Developers then selected only in 42% of cases “sometimes” and none chose “regularly”. Group Others perceives recognition rather rarely with 33% of “hardly ever” and 33% of “never” answers (considerably low score).

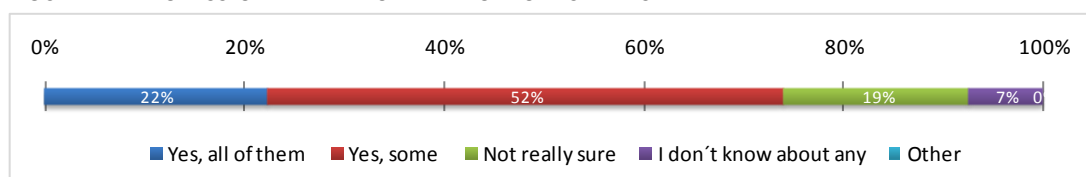
FIGURE 20: SELECTED ELEMENTS OF INTERNAL COMMUNICATION



Source: Author's empirical research

Question four asked about awareness of professional development opportunities in company. As you can see in Figure 21, from the whole sample 22% of people chose “yes, all of them”, 52% chose “yes, some”, 19% were not really sure and 7% answered “I don't know about any”. The only big difference between groups two and more years in company and less than two years was in the category “yes, all of them” where the first group chose 36% while the newer employees only 13%. The strongest proportion of positive answers came from project managers (33% replied “yes, all of them” and 67% “yes, some”) and developers (with 25% choosing “yes, all of them” and 50% “yes, some”). Call center respondents replied 33% “yes, some” and 67% people were not sure about development opportunities. Others chose 17% “yes, all of them” and 50% “yes, some” but also 33% did not know about any of those development options.

FIGURE 21: PROFESSIONAL DEVELOPMENT OPPORTUNITIES



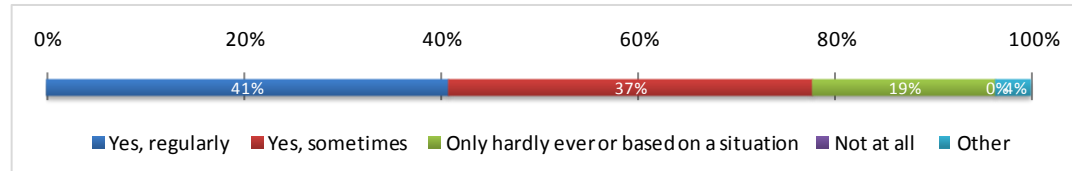
Source: Author's empirical research

Question five examined the frequency of feedback in general as an integral part of every company internal communication. Overall 41% of employees answered that they receive regular feedbacks, 37% answered that they sometimes receive it and the last 23% receive it hardly ever or based on a situation (see results in Figure 22). The only higher variances were among older and newer employees, where those for a shorter time with the company receive regular feedback in 47% of cases while the other group only in 27% of cases. Developers then similarly selected 42% “yes, regularly”, 42% “sometimes” and only 17% of them replied “hardly ever or based on a situation”. Project managers split 33% for “yes, regularly”, 33% for “yes, sometimes” and 33% for “hardly ever or based on a situation”. Call center employees on the other hand all replied “yes, regularly” (thus 100%). Others chose

“yes, regularly” in 17% of cases, “yes, sometimes” in 50% of cases but also in 34% of cases “hardly ever or based on a situation”.

In comparison to what managers have replied is this result approximately adequate, since those board members that stated regular feedback sessions (29%) cover more employees than the rest. “Sometimes” answers then cover the occasional usage and the rest.

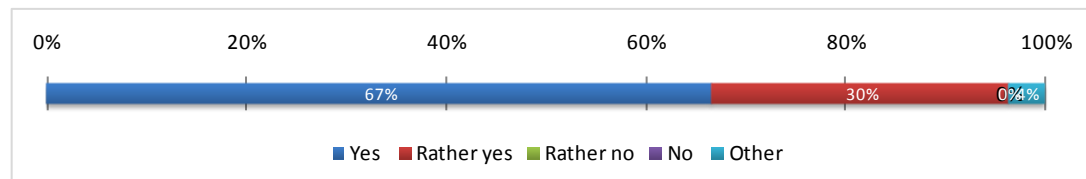
FIGURE 22: GENERAL FEEDBACK PERCEPTION



Source: Author's empirical research

The following question as a complement to feedback provision asked about the option to provide feedback from employees to supervisors (see Figure 23). Compounded results were 67% “yes” and 30% “rather yes” (97% positive in total). There were no significant deviations from this average but one project manager remark who replied that he is allowed to provide feedback, but does not feel like it would be welcomed because everybody is already overloaded with work *“even without his suggestions”*.

FIGURE 23: FEEDBACK TO SUPERVISORS



Source: Author's empirical research

The usage of internal communication channels was in focus of question seven. As there were only a few deviations from the company average, the aggregated results are interpreted and only few exceptions are pointed out (see results in Figure 24).

Very weakly spotted are newsletters which received 52% as “hardly ever” and 19% of replies as “never” used.

Notice boards received 11% of replies as “hardly ever” used and 78% as “never” used with only one bright exception from call center people who in 67% rated them as “regularly” used.

Team meetings were rated as regular in 15% cases only and as sometimes held in 52% of cases (people shorter time in MEMOS rated them only in 53% of cases as regular or sometimes held, while people longer time with company rated sometimes held in 82% of cases).

Team buildings and related live events were perceived without deviations as sometimes held by majority of people (7% “regularly”, 78% “sometimes”).

Then there were three rather underused communication channels (or not needed) that were rated as hardly ever and never used in more than 90% of cases, concretely videos, LCD displays and video conferences.

Phone scored in most cases above 80% as “regularly” or “sometimes” used.

E-mail then received majority of positive answers above 90% while as 100% regular was rated by developers and project managers.

Considerably lower rate of usage applies according to company average to Intranet site that received 22% of answers as “regularly” used, 19% as “sometimes”, 41% as “hardly ever” and even 19% as “never”.

Company blog really is outdated and thus without surprise received 0% as “regularly” used, 7% as “sometimes”, 30% as “hardly ever” and majority of 63% replies chose “never” option.

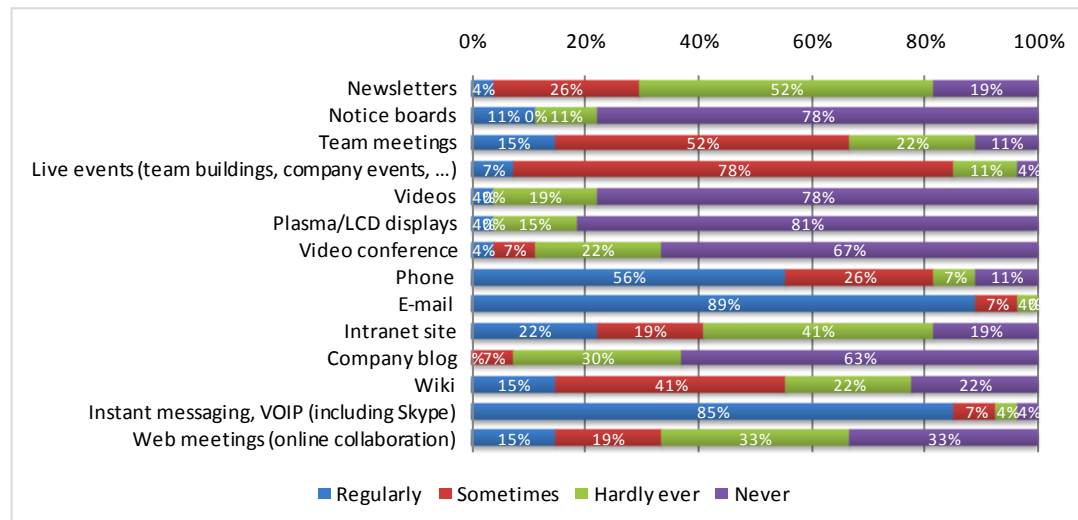
Usage of Wiki scored balanced with 56% of replies claiming its usage (15% “regularly”, 41% “sometimes”) and 44% rather not using it (22% “hardly ever” and 22% “never”). Wiki usage is also concerned in one following individual question.

Instant messaging again proved itself to be dominating with overall average of 85% as “regularly” and 7% as sometimes used (developers and call center even rated it as 100% regular tool).

Web meetings as the last element of direct channels are not really used with ratings only 15% “regularly”, 19% “sometimes” and 33% for both, “hardly ever” and “never”, options.

In comparison to what managers have replied are these results more skeptical, but approximately copy the trend. Employees observe newsletters even less than managers, notice boards significantly less, team meetings, phone, intranet site, instant messaging and wiki also as less often used, while on the other hand live events, videos, LCD displays, video conference, e-mail, company blog and web meetings are rated equally to managers.

FIGURE 24: DIRECT INTERNAL COMMUNICATION CHANNELS



Source: Author’s empirical research

Managers were asked whether or how they work with some of the indirect channels of communication. In order to get the other point of view, in this case employee rating on quality of those indirect channels, question eight asked how well taken care of they are.

As you can see in Figure 25, office environment and equipment rated only 15% of respondents as “well taken care of”, 41% then answered “quite ok”, 37% chose option

“could be better” and 7% “need to be fixed” (most critical were Others with 50% “could be better”, call center employees with 33% for both “could be better” and “need to be fixed”, and developers with 33% “could be better” and 8% “need to be fixed”).

Refreshment and dining options scored rather negatively on average (7% “well taken care of” and 33% “quite ok”) as well as in all other segments with exception of developers (17% “well taken care of” and 58% “quite ok”).

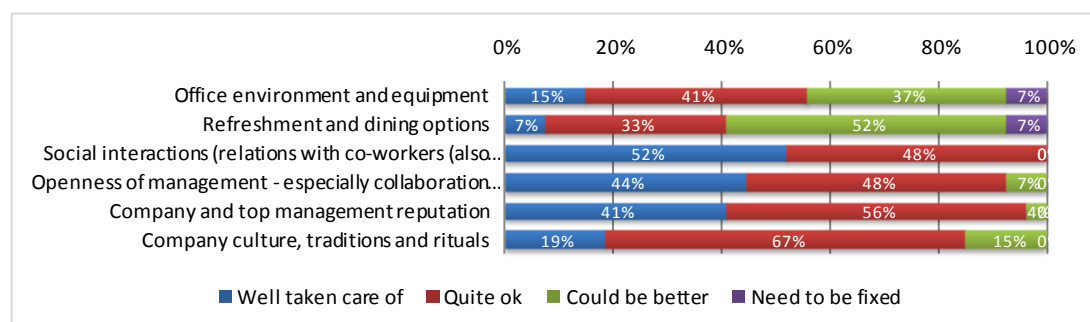
On the other hand, promoted benefits of MEMOS Software (social interactions) received only positive ratings with selection of 52% “well taken care of” and 48% “quite ok” on company average.

Also openness of company management is positively perceived by majority of employees, concretely as “well taken care of” by 44%, and “quite ok” by 48% of them (with only project managers selecting option “could be better” in 33% of cases).

Quite similarly to openness scored company and top management reputation with 41% as “well taken care of” and 56% as “quite ok” answers.

Much less “well taken care of” ratings received company culture, traditions and rituals (only 19%), but overall the positive replies dominated with another 67% of them as “quite ok”.

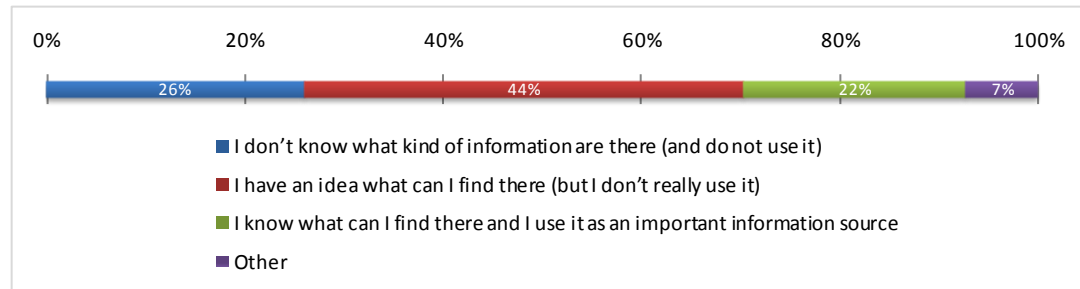
FIGURE 25: INDIRECT INTERNAL COMMUNICATION CHANNELS



Source: Author's empirical research

Since internal Wiki is supposed to be the main source of (among others) all company processes and job positions information, awareness about its content was briefly asked about as well (see Figure 26). On average, only 22% of respondents know what can be found there and use it as an important information source (mainly project managers with 50% replies). To the group that have some idea what kind of information can be found there but without much of use assigned themselves 44% of respondents in general (among them 58% of developers). Lack of knowledge on Wiki content than replied 26% of respondents, where call center employees selected this option in 67% of cases, developers in 33% of cases, Others in 17% of cases and only none of project managers used this option. On top of that, one of the comments stated “*we are hardly working on improving its content*” which I am not sure about its meaning (either a person involved in already fixing this issue or meaning that it should be fixed/updated).

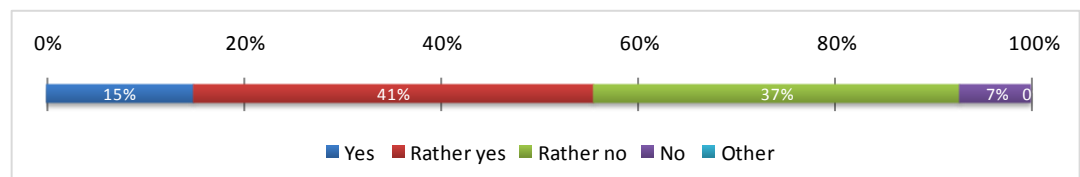
FIGURE 26: INTERNAL WIKI USAGE



Source: Author's empirical research

One of important goals of internal communication is so that all employees generally know “what is going on” in company and thus I asked about it in question ten (see Figure 27). On the company average only 15% of people answered “yes” with another 41% responding “rather yes”. Significant difference was between people less than two years with company answering only in 7% of cases “yes” while those longer than two years with company answered “yes” in 27% of cases. Overall the strongest segment with positive answers were Others (with 17% “yes” and 67% “rather yes”) followed by project managers (17% “yes” and 50% “rather yes”). Developers answered positively only in 42% of cases (17% “yes” and 25% “rather yes”) and the weakest information perception feel call center employees with only 33% “rather yes” answers and 67% “rather no”. The overall proportion of negative replies corresponds to board members’ concerns of this being a weak spot.

FIGURE 27: COMPANY LIFE AWARENESS



Source: Author's empirical research

The last question from communication section asked about conflicts resolution, respectively how well do employees consider them to be resolved. There were almost no negative reactions with company average of 19% of respondents selecting “always well resolved” option and 67% selecting “usually well resolved”. Several positive comments stated that conflicts are very rare and well resolved given the situation or not to be seen at all. Only one negative comment noted that they are rather postponed and ignored than resolved.

Communication summary

The research questionnaire revealed that company vision, despite its freshness, is not really rooted in employees’ minds. Only 59% of employees showed some foreknowledge of the vision and did answer the question, out of which 33% of employees stated the correct vision and another 26% of them were close enough.

Considerably low vision awareness showed developers. On one side this could have been expected for their technical orientation, however, as a very valuable company asset they also should identify with the company vision and goals (in order to value their positions).

Other segments of employees scored higher, yet if many of them do not know the company vision, they might not be going in the same direction as MEMOS is.

With regards to these results I thus conclude that ***hypothesis H1: More than 70% of employees know the company vision was not confirmed.***

The information level necessary for effective work on tasks was rated overall positively by three quarters of employees, however skeptic were project managers where half of them require more information up front for their work than currently is shared. It is also important to point out, that people shorter time with company feel considerably worse informed than the other group, and thus some effort in this area would be preferable.

Even though proper explanation of planned changes is perceived by majority of employees, only minority of those longer with company and also only minority of developers feel well informed (they partially overlap). There might be a worse information perception among technical staff and some forms of adjustment for target audience should be considered.

Updates on company achievements and results scored rather low on company average and especially segments of newer employees, unassigned and developers see them rarely.

Recognition and praise is overall only barely above 50% positively perceived, while especially people shorter time with company and segment of Others rated it very low (also choosing “never” answers).

Taking previous results into account, the ambivalent distribution of answers on a direct question whether employees feel like to know “what is going on in the company” is not surprising with only 15% of respondents answering “yes” and another 41% choosing “rather yes” summing up positive answers to only 56% on company average. Lack of information admitted again mainly employees less than two years with company.

Based on the research results I thus conclude that ***hypothesis H2: More than 70% of employees know “what is going on” in the company was not confirmed.***

The examined professional development opportunities awareness was rather low among “non-core” employees (meaning not less valuable, but maybe focus-forgotten sometimes for their mainly non-IT related tasks), concretely from call center and Others. On the level of the whole company 74% of respondents stated to know all or most of their development options, however among them replied so only 66% of employees less than two years with company (compared to 82% of those more than two years with company).

Based on the research results I thus conclude that ***hypothesis H3: Less employees shorter time with company (less than two years) know about development opportunities than those longer with company was confirmed.***

Opportunities to give feedbacks to supervisors are as expected very positively rated by majority of people (but one worrying of overload with work even without it) and conflicts are again according to majority of respondents most often satisfactorily resolved.

On the other hand, the question on regularity of feedback for employees revealed potential lack of focus on proper feedback sessions for people longer with company, which I would warn against (even though they might understand more from context, it does not

necessarily mean they always do), and for Others. On the company average 41% of employees stated to receive regular feedback and another 37% chose “sometimes” option.

With respect to research results I thus conclude that **hypothesis H4: Less than 50% of employees receive regular feedback on their work was confirmed.**

E-mail, instant messaging and phones are rated to be often used direct communication channels inside company. Less frequently but still with majority of positive ratings are, according to respondents, team meetings and live events, while on the other hand rather negatively were rated newsletters, notice boards, company blog, web meetings and surprisingly also intranet site. In case of poorly rated videos is their necessity questionable and the same applies for video conferences, however, as already mentioned, LCD dashboards are planned to be introduced and will thus widen the number of used channels.

Usage of internal Wiki was confirmed by one fifth of respondents only (mainly by project managers) while almost one third of respondents feels like lacking any idea about its content. If wiki is to be the main source of process and job description information, there is a significant space for improvement there.

Considering indirect communication channels, office environment and equipment only slightly exceeds half of positive replies with not insignificant negative attitudes among some segments. Refreshment and dining options received majority of negative replies (with exception of developers’ rating). Social interactions on the other hand achieved very significant positive perception and so did openness of management as well as company and top management reputation.

Social interactions concretely achieved, as the only indirect communication channel, purely positive ratings (sum of 100%) with exactly 52% respondents selecting “well taken care of” and the rest choosing “quite ok” confirming thus the management board expectations. Company culture, traditions and rituals were as the last aspect rated as “quite ok”.

Based on the research results I thus conclude that **hypothesis H5: Social interactions are positively perceived by more than 90% of employees was confirmed.**

8.2.2. Work motivation

Work motivation is very important to take into account when preparing jobs (next section), when selecting people for those jobs but also just as a part of small everyday improvements and operational work with employees. That is why some prerequisites of work that motivates were examined and some concrete opinions gathered.

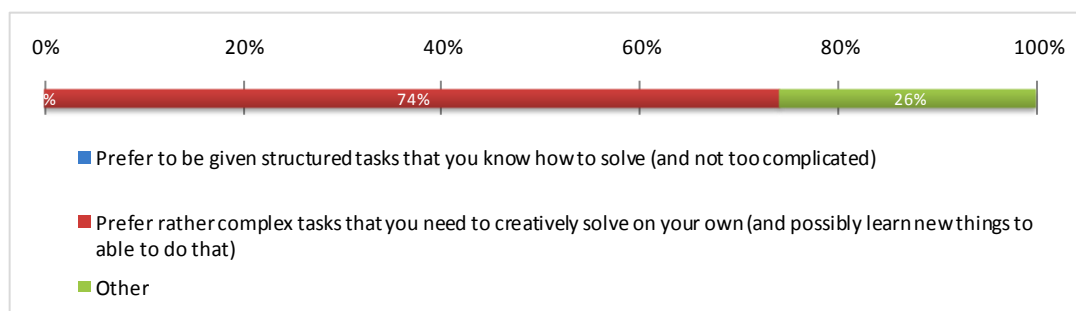
The first question asked for what the work does mean to respondents. There were nine answers from developers overall stressing mainly opportunities to learn and gain new experience with combination of financial income stability. In their replies the intellectual satisfaction and space for self-actualization clearly dominated, but also replies as “*work in general gives me money. As for my current position - it gives me fun and money*” appeared. In case of project managers the answers, in total four of them, were rather unclear. One reply only stated something similar to possibilities for self-development while keeping financial income, another listed life priorities with work being on the third place after health and family and the other two answers rather paraphrased some inner confusion on

this topic. People from the call center answered all in a positive mood; twice stating deep interests in the work they have. The rest of respondents from the group Others somehow balanced their expressions in between experience, self-realization, personal and career growth on one side and making a living on the other.

The second question provided some very interesting results on the question whether the respondents prefer to be given structured tasks (that they rather know how to solve) or preferably more complex tasks that also provide space for learning (see results in Figure 28). None replied structured tasks. Company average was 74% of respondents choosing “complex tasks” option while the rest selected option “other” with space for comments. Project managers commented once with a fifty-fifty preferred ratio of tasks and once stressing the preference of complex tasks but with enough dedicated time provided (so that there is no immediate switching in between of tasks). Developers then three times repeated a preference for some combination of both, ideally fifty-fifty.

Taking into account what managers have replied should this result influence remaining board members that still prefer assigning structured tasks (approx. 29%), because unless it is at least a combination of both approaches, there is a zero preference for structured tasks.

FIGURE 28: NATURE OF TASKS PREFERENCE

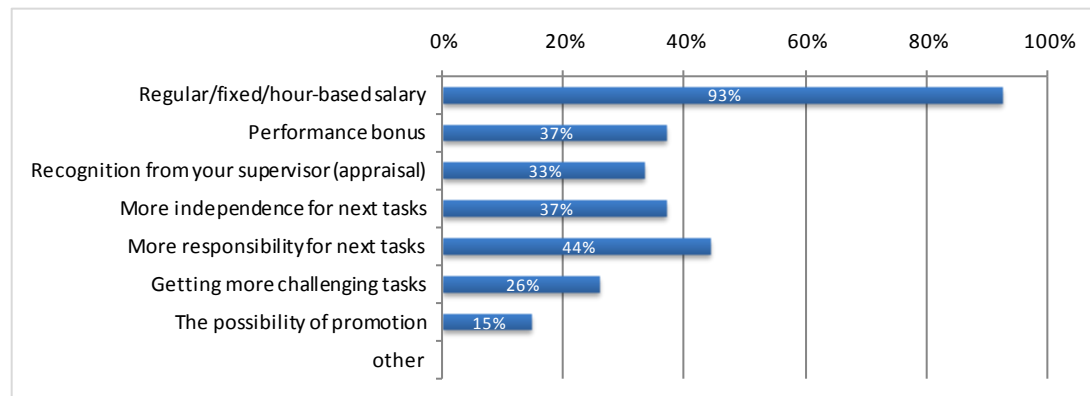


Source: Author's empirical research

Question number three aimed to find out about some extrinsic and intrinsic work rewards that are obtained by respondents for their effort. As you can see in Figure 29, on the company level was the naturally most common selection “fixed salary” with 93% of replies, but all other options more or less oscillated below 40% of answers. “Performance bonus” selected only 37% of respondents (but 100% of call center employees and 50% of project managers), “recognition” (appraisal) was selected by 33% of respondents (and by only 17% of segment Others and even 0% of call center employees), “more independence” by 37% of participants, “more responsibility” by 44% of them (but project managers selecting it in 67% of cases), “getting more challenging tasks” by 26% only and even less received the “possibility of promotion” with 15% of answers (but with 50% of replies from Others and 33% from call center respondents). Overall only project managers and developers stated that they are rewarded by several intrinsic elements on top of monetary rewards.

In comparison to board members' replies (and with respect to different segments of employees), this result only copies the trend when different employees have different reward options, yet all of them receive small to negligible amount of non-monetary ones.

FIGURE 29: WORK REWARDS



Source: Author's empirical research

The last question of work motivation section examined the employees' point of view on general aspects of motivation frameworks that are (or are not) present in work on specific projects and tasks (see Figure 30).

According to 93% of respondents they have set goals to achieve when working on a particular project (30% replied "always" and 63% "usually"). The only small deviation can be spotted among project managers (interestingly!) with only 17% of them selecting "always" and in 17% of cases selecting "hardly ever". Segment Others also chose "hardly ever" option in 17% of cases and "always" only in 17% of cases.

Regular feedback during a project was selected by 30% of respondents as "always" and by 56% as "usually" received. More often feedback stated developers with 50% of cases "always", while on the other hand lower scored again projects managers and Others with only 17% of replies for "always" and the same amount for "hardly ever".

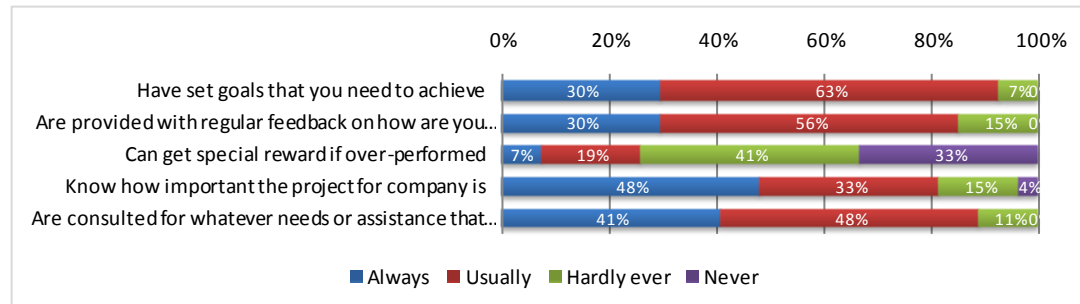
Special reward if over-performed was rated very negatively. Only 26% of respondents feel they can get a special reward for their extraordinary performance (either "always" or "usually"), while 41% replied that "hardly ever" and 33% replied "never". The only deviation from this negative scheme showed call center employees with 33% "always" and 67% "usually" replies for possibility of a special reward when deserved.

Better results can be seen in case of projects' importance for company where 48% of respondents always know its significance and 33% know it usually. As a logical deviation then looks rating from employees longer than two years with the company who replied "always" in 73% of cases and "usually" in 9% of cases.

Consultancy for assistance or other possible needs as the last aspect of this question was on the company level rated as always present by 41% of respondents and usually by 48% of them. Again, project managers rated this information aspect lower than average with only 33% of replies for "always" and the rest for "usually".

In comparison to managerial point of view were respondents again slightly more skeptical, nevertheless only less than expected are set goals to achieve (managers stated 67% always, employees 30% always) and the rest is more or less in consensus (including negative replies for option of special rewards when over-performed).

FIGURE 30: SELECTED ELEMENTS OF MOTIVATION FRAMEWORKS



Source: Author's empirical research

Work motivation summary

Work, and also work at MEMOS Software in particular, was described by majority of respondents as a way to professional development and income, while also deep interests in it and fun aspects were mentioned. Especially developers showed eagerness to learn.

Very interestingly almost all employees prefer only complex tasks with space for learning, or some combination of complex and structured tasks alternatively.

Not many intrinsic motivators are according to respondents offered in case of remuneration, where regular salary was the only one common reward tool (accompanied by performance bonus for call center employees). Some lower perception got performance bonus for project managers, but all other non-monetary rewards (even completely costless appraisal) are generally considered as rarely used. Interesting were also differences in distribution of rewards among individual segments revealing non-unified approach.

Remuneration instruments that are being part of employees rewards thus in summary achieved ratings of 93% for regular salary, 37% for performance bonus, 33% for recognition, 37% for more independence, 44% for more responsibility (which is in line with managers' statements), 26% for more challenging tasks and 15% for possibility of promotion.

With respect to questionnaire research results I thus conclude that ***hypothesis H6: Work remuneration is dominantly regular salary based, while other more intrinsic components receive less than 50% of employees was confirmed.***

Regarding other motivating aspects of work, majority of respondents have given goals to achieve (however some project managers and Others see them only hardly ever).

Still satisfactorily scored regular feedbacks on a task (despite poorer ratings from Others and project managers), nevertheless as almost completely missing were rated rewards for achievers (over-performers). In my opinion are in this situation lost some connections between work effort and rewards that would otherwise bring a positive motivation.

Project importance awareness and provided consultancy were then rated positively.

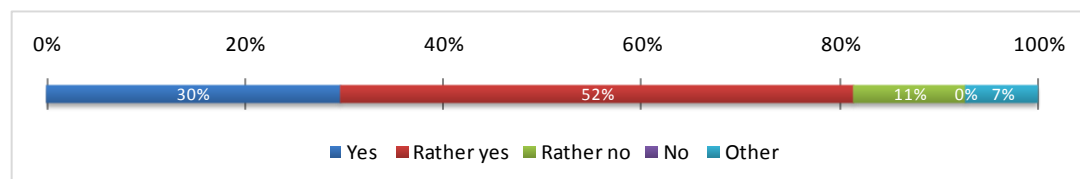
All in all, work motivation, especially in non-monetary terms, provides space for crucial standardization (in order to be seen as fair) and for extension of the remuneration tools.

8.2.3. Job design

Complementary section to work motivation is job design part, which focused on several aspects of job attractiveness for employees and awareness about formal elements of their

working positions. In the first question had respondents an opportunity to express how interesting do they find their job and possibly comment on it (see results in Figure 31). On the company average, 82% of respondents rated their job as interesting (with 30% of “yes” answers and 52% of “rather yes” answers). The highest proportion of employees interested in their jobs was among call center employees (67% answered “yes” and 33% “rather yes”), project managers (33% “yes” and 50% “rather yes”) and developers (17% “yes” and 67% “rather yes”). As a logical result (but also worth considering) seems that people longer with company answered positively in 91% of cases (27% “yes” and 64% “rather yes”) while newer employees answered positively only in 74% of cases (with 27% “yes” answers and 47% “rather yes”). The several rather negative answers counted for 18% from company total and were expressed mainly (but not solely) by employees shorter time with company from segments of developers and Others.

FIGURE 31: HAVE INTERESTING JOB



Source: Author's empirical research

In the second question I asked about some job dimensions that when present cause work satisfaction, increase motivation and work performance.

Overall is the company average very good (as you can see in Figure 32), starting with autonomy perceived by 96% of respondents (37% answered “yes” and 59% “rather yes”) with only a small deviation at call center employees with 33% of “rather no” replies. Naturally then employees longer with company perceive more autonomy (55% “yes” answers) than those shorter time there (27% “yes” answers).

Feedback aspect confirmed previous findings with 89% of positive answers (33% “yes” replies and 56% of “rather yes” replies), while again people longer with company miss feedback more often than newer employees.

Skills variety is present in work of 92% of respondents (48% “yes” answers and 44% “rather yes” answers), while only some newer employees mainly from segment Others do not see that much variety with 7% of “rather no” answers (company average).

As important rate their work 89% of respondents (37% “yes” replies and 52% “rather yes” replies). Rather not or not seeing its identity and importance answered 11% of respondents, but surprisingly especially those more than two years with company.

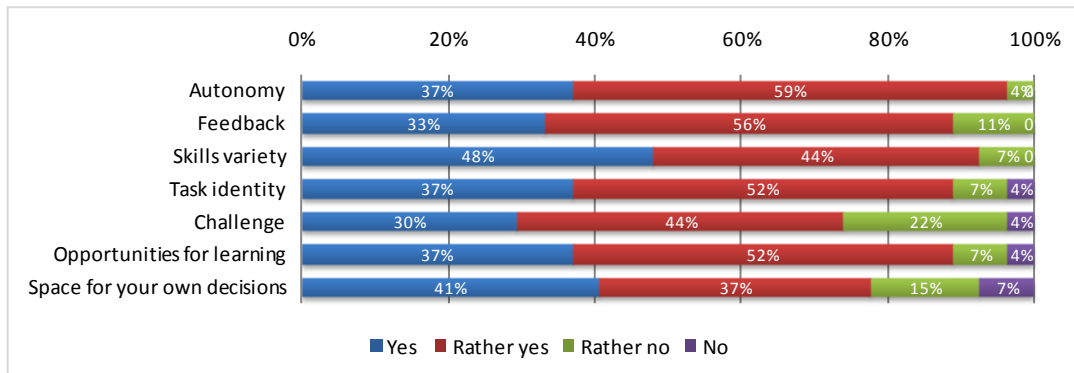
As a challenge perceives their work 74% of employees (30% “yes” and 44% “rather yes”) while above this average were people longer with company and below newer employees with 33% of replies as “rather no” (also a thing to consider if they are to be kept in the long term) and segment Others in which respondents rated their work as rather not challenging in 50% of cases.

Opportunities for learning are then observed by 89% of respondents (37% “yes” and 52% “rather yes” replies) where again people shorter with company answered considerably less

convincingly with only 20% of “yes” replies compared to older employees with 64% of “yes” replies. Also Others not always see learning opportunities with 17% of “rather no” replies.

Space for own decisions as the last examined aspect was perceived positively by 78% of respondents (41% “yes” replies and 37% “rather yes” replies). Newer employees see less space for decisions with only 60% combined positive replies (33% “yes” and 27% “rather yes”) compared to those longer with company with 90% of positive combined replies (55% “yes” and 45% “rather yes” answers). Some negative perceptions (lacking own decisions) were expressed by developers with 17% of “rather no” and 8% of “no” answers, by project managers with 17% of “rather no” answers, by call center employees with 33% of “rather no” answers and also by Others with 17% of “no” answers.

FIGURE 32: INTRINSIC JOB MOTIVATORS



Source: Author’s empirical research

The third question briefly examined formal components of job positions, respectively how well informed respondents feel to be when comes to question what is their job about.

As you can see in Figure 33 below, job title is known to 70% of respondents and rather known to another 22% of them, leaving thus only 7% of replies for “rather no” option.

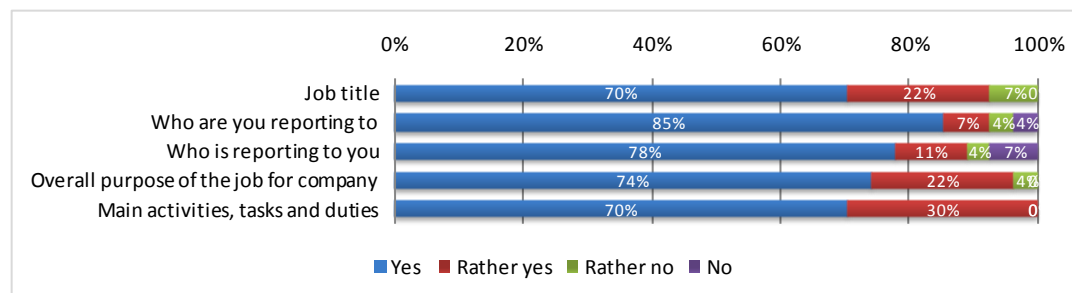
Even though company average results on question of awareness who are the respondents reporting to were positive with 85% of “yes” answers and 7% of “rather yes” answers, especially among developers shorter time with company there was considerable amount of negative replies with 8% of “rather no” and 8% of “no” answers.

Answer to question of who is reporting to the respondents is quite known to most of them with 89% of positive replies (78% of “yes” and 11% of “rather yes”) and some minor confusion expressed only call center employees and segment of Others with 33% of “no” answers and 17% of “no” answers respectively.

Overall purpose of their job was known to majority of respondents (74% “yes” answers and 22% “rather yes” answers), nevertheless a warning signal can be a “rather no” choice from 8% of developers who actually are longer than two years with company.

Main activities, tasks and duties are then known to all employees with 70% of them choosing “yes” and 30% “rather yes” on company average. Call center employees and Others then selected direct “yes” option in 100% of cases (these segments despite rather negative ratings on information sharing aspects show considerably higher awareness about purpose of their jobs and knowledge of tasks and responsibilities).

FIGURE 33: COMPONENTS OF JOB DESCRIPTION



Source: Author's empirical research

The last question from job design section aimed to find out about allowed independency for performing three elements of each task – planning, executing and controlling (see Figure 34).

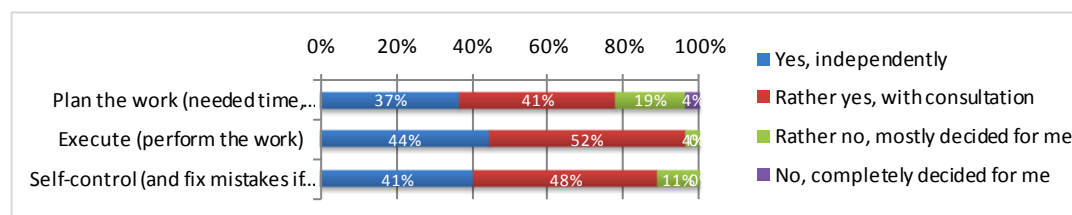
Plan the work in aspects as time or resources for example are allowed respondents independently in 37% of cases. Difference is between newer and older employees, where those longer with company are allowed for independence in 45% of cases compared to 27% of cases for the other group. Mostly is independence in planning perceived by Others (50% of respondents), developers (42% of respondents) and call center employees (33% of respondents). “Rather yes, with consultation” then chose 41% of respondents with biggest proportion of project managers (83% of them selected “rather yes, with consultation”). “Rather no” or “no” and thus mostly or completely decided for them answered 23% of respondents with largest proportion of Others (17% “mostly decided”, 17% “completely decided”), call center employees (33% “mostly decided”) and developers (25% “mostly decided”).

The only usual independent element of work, execution, was confirmed by majority of employees as either independent (44% of respondents) or independent with consultation (52% of respondents), overall accounting for 96% of positive replies.

The third element, self-control, received less positive replies but still as independent rated it in their work 41% of employees and “with consultation” 48% of employees. As “mostly decided for them” perceived it respondents shorter time with company (20% of them), concretely project managers (17% of “mostly decided” replies), call center employees (33% of “mostly decided” replies) and Others (17% of “mostly decided” replies).

In comparison to what managers have replied were employees rather more optimistic and identified themselves with more completely independent or consulted decisions for both planning and executing. Only in case of self-control were they slightly more skeptical with some rather no answers.

FIGURE 34: TASKS ELEMENTS INDEPENDENCY



Source: Author's empirical research

Job design summary

Employees in MEMOS Software find their jobs interesting on company average level, but worth considering is the fact that people shorter with company find them less interesting in comparison with those longer with company (especially in context of not negligible people fluctuation it is not to be ignored).

Motivation aspects of jobs are quite well perceived. Very well scored autonomy and also feedback, but similarly to the case of communication section (which is also a confirmation), less feedback is provided to older employees compared to the other group.

Usage of different skills was also rated well and so was working on important tasks (but with a few negative ratings from employees longer with company).

As challenging rated their work three quarters of respondents, but with lower perception among newer employees and quite low perception among Others. Especially the fact that newer employees rate their work as less challenging could actually be quite an issue, because especially for them it should not be a routine yet and there should be larger space for learning. If this is not the case and they are not challenged in their tasks, the chance of them leaving the company significantly increases.

Learning opportunities and space for own decision are then seen by respondents as present, but again especially people shorter time with company rate those considerably lower which is now a very clear warning signal. As for younger employees are personal development options the best motivation and reward at the same time (in general), some effort needs to be exercised in order to provide them with more of those at MEMOS.

Formal aspects of working positions received high positive results on the company average level, nevertheless the question remains whether these few basic formalities should not be left without any sign of doubt for all employees (as a simple to be done procedure eliminating some of their uncertainties). My personal opinion is yes, and thus only zero amounts of negative replies would be a satisfactory result (which was not achieved, mainly because of segments of developers and unassigned employees lacking information).

The concrete results for job description elements were then positive in 92% of cases for job title, 92% for direct supervisor awareness, 89% for sub-ordinates awareness, 96% for purpose of their job and 100% for main activities, tasks and duties.

Despite negative expectations, based on questionnaire research results I conclude that ***hypothesis H7: Less than 70% of employees have a clear idea about formal parts of their positions (their job description) was not confirmed.***

As for the last question, planning element of work did not score poorly, nevertheless there are still significant improvement possibilities (delegation options) that could overall increase employees' identification with the task and thus also with the company (especially in segment Others). Execution then received better rating than planning and self-control as the third element scored satisfactorily (but with newer employees rating it below average).

8.2.4. Management and Leadership

Managerial leading activities and leadership traits were examined in the last section. Several questions were asked in order to firstly receive some feedback on company

managers and how are they perceived regarding their leading skills, and secondly, to find out the extent of proper induction/employee introduction into the company.

The first question asked for name of direct supervisor in order to properly assign the results and create some statistics, unfortunately this appeared to be more complicated than expected. There were several people concerned about their anonymity and thus not provided the name. There was also one answer stating literally *"I don't know - I have PMs for individual projects"*². And even though the rest of respondents provided a name (approximately such amount that is corresponding to 85% of replies saying to exactly know who they report to), the names were more than expected and none but one (Technical Director) received more than three replies, in majority of cases the name appeared once or twice. My concern is thus that the general awareness of who is in charge and who is responsible for which employees in general is very low. Managers also generally answered to have more sub-ordinates than can be seen from the other point of view. In my opinion, people do know where to look for advice and with whom they co-operate the most, but in the end do not really know who their direct supervisor is.

In question two I asked directly which qualities generally ascribed to good leaders do respondents observe on their direct supervisors. As you can see in Figure 35, on the company average is the perception very positive and even zero direct "no" answers appeared.

Their manager is according to 56% of respondents enthusiastic and another 33% of respondents replied "rather yes". Only 11% of replies selected "rather no" option, mainly from segment Others (33% "rather no") and developers (8% "rather no").

Integrity is then perceived again by majority of employees with 63% of them selecting "yes" answer and 33% "rather yes", thus leaving only 4% of replies for "rather no" option.

Tough but fair treatment received again sum of 96% positive replies (52% of "yes" answers and 44% of "rather yes" answers). Considerably higher on this element rated their supervisor people longer with company with 82% of replies for "yes" and 18% for "rather yes", while newer employees replied only in 27% of cases "yes" and "rather yes" then in 67% of cases.

"Cares for others characteristic" received overall positive ratings with 48% of "yes" answers and 44% of "rather yes" answers. Some smaller deviations were observed among call center employees with majority selecting "rather yes" option (67%) and minority choosing "rather no" option (33%).

According to majority of respondents are their supervisors open to different opinions with overall 85% of positive replies (48% "yes" and 37% "rather yes"). "Rather no" option accounting for 15% of company average was then almost equally split between all segments of employees.

Their supervisor as confident rated 96% of respondents with 59% of "yes" replies and 37% of "rather yes" replies.

² PM stands for Project Manager

Again according to 96% of respondents gives them their supervisor direction (63% “yes” and 33% “rather yes”), while above average replied people longer than two years with company (73% of “yes” answers) and project managers (83% of “yes” answers).

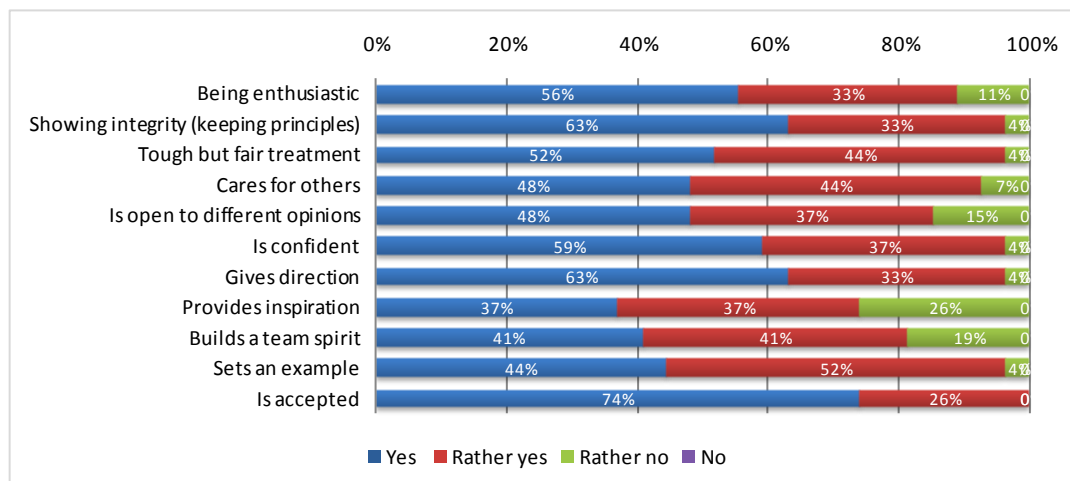
“Providing inspiration” as a next leader quality was rated slightly lower with 74% of positive replies (37% of “yes” and 37% of “rather yes” answers) and with 26% of “rather no” answers, mainly from newer employees from segments Others (50% of “rather no” replies) and call center (67% of “rather no” replies).

Building a team spirit was rated with “yes” by 41% of respondents and with “rather yes” also by 41% of respondents. Some negative opinions on this element were expressed mainly by newer employees; again from all segments (developers 8% “rather no”, project managers 33% “rather no”, call center 33% “rather no” and Others 17% “rather no”).

As setting an example rated their supervisors 96% of respondents (44% of “yes” replies and 52% of “rather yes” replies), while slightly more convincing ratings expressed people longer than two years with company compared to the other group.

And the last quality element was positively answered by 100% of respondents (74% of “yes” replies and 26% of “rather yes” replies) stating thus that their supervisors are accepted.

FIGURE 35: LEADERSHIP QUALITIES



Source: Author's empirical research

Not only personal qualities make a good leader, but also needed working skills and these essential skills were thus rated in the third question (see results in Figure 36). None of the following skills was rated as completely missing. In cases of rather negative ratings (“rather unskilled”), absolute majority (all but one) of those replies were expressed by people shorter time with company than two years.

Task definition and communication was positively rated by 96% of respondents (58% as “very skilled” and 37% as “quite skilled”).

Planning received also high rating with 93% of positive replies (56% “very skilled” and 37% “quite skilled”) and only 7% of “rather unskilled” replies from newer employees.

Briefing skills then again received 96% of positive replies (67% “very skilled” and 30% “quite skilled”).

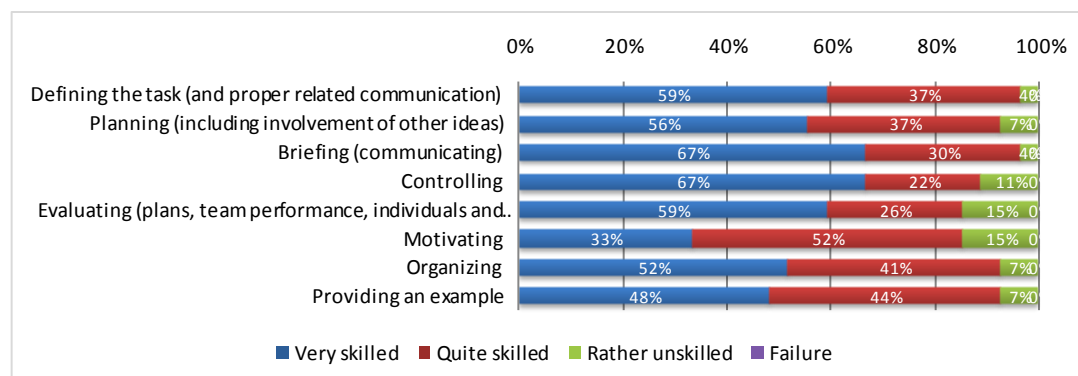
One of the generally weaker skills (in comparison) is controlling with 89% of positive replies (67% of “very skilled” and 22% “quite skilled”) receiving thus 11% of “rather unskilled” replies from developers, project managers and others (17% of responses inside every group).

Skills for evaluating plans, team performance or individuals rated respondents the most critically. Despite the majority of positive replies (59% for “very skilled” and 26% for “quite skilled”), in this case also older employees chose a “rather unskilled” option, concretely were this negative ratings split again equally in between developers, project managers and Others (“rather unskilled” received 17% of replies from all segments).

Motivating skills were the last of three generally weaker rated sets of skills achieving only 85% of positive replies (33% of “very skilled” and 52% of “quite skilled”) leaving thus 15% of replies for “rather unskilled” option which was selected by developers (17% of replies), call center employees (33% of replies) and Others (17% of replies).

The last two leading skill sets were rated almost similarly (93% of positive answers) where organizing received 52% of “very skilled” replies and 41% of “quite skilled”, providing an example then 48% of “very skilled” replies and 44% of “quite skilled” replies. Both thus received only 7% of “rather unskilled” ratings coming in both instances from developers.

FIGURE 36: LEADERSHIP SKILLS



Source: Author's empirical research

In the fourth question I asked whether people are members of long term established teams or rather assigned to newly created teams with every project in order to determine how much is taken advantage of performing phase (typical for established teams).

As a member of long-term established team assigned themselves 56% of respondents where call center employees dominated with 100% of replies and developers followed with 75% of replies. Overall, employees longer with company chose this option more often.

As members of rather short-span teams always depending on a concrete project assigned themselves 33% of respondents, especially segment Others with 67% of replies and project managers with 50% of replies. Project managers also accounted for majority of comments (and thus selecting “other” option) remarking that it either depends on a project (probably on a life-span of a project) or that it is rather a combination of both approaches in their case.

Compared to what management board members have replied rated themselves fewer respondents as members of long-term teams, while some of them selected also short-term teams (managers did not). Nevertheless, in the big picture these are no big differences, especially because some board members too stated that it depends on a project or varies.

The last question of management and leadership section asked about various aspects of induction period, or more concretely on a set of things to be definitely checked with every new employee so that he/she can feel immediately involved (see Figure 37 below).

Firstly I asked whether participants have been formally introduced at the company when they first joined. The company average of positive answers was 97% (78% for “yes” and 19% for “rather yes”) while only some project managers (longer than two years with company) expressed “rather no” option accounting for 4% of all answers (17% of project managers).

Completely the same results received instructions regarding “what is what and where” (offices, kitchen, bathrooms, etc.).

On the question whether or not have the respondents been assigned with a mentor or instructor answered positively 85% of them (70% of “yes” and 15% of “rather yes” replies) while newer employees showed higher percentage with 80% of “yes” answers compared to the other group with only 55% of “yes” answers. The only negative ratings were given by 17% of developers with “rather no” and 8% of them with “no” answer, and also by 17% of project managers with “rather no” answer.

Interestingly, all call center employees answered in 100% of cases “yes” on all three previous aspects.

Even without a mentor, newcomers should still have someone around to ask questions which they rated as reality in 70% of cases as “yes” and in 26% of cases as “rather yes”, thus leaving only for 4% of replies for “rather no” option selected by developers.

Lower rating received distributed company policy documents which 56% of respondents did receive, another 26% of them rather received, 11% rather not and 7% of respondents did not receive. More negatively expressed themselves people longer with company (27% of combined negative replies) and from the concrete segments developers (17% of “rather no” replies), project managers (17% of “no” replies) and Others (17% with “rather no” and also 17% of “no” replies).

When documents are not provided, at least oral instruction should take place. Nevertheless, as instructed on company policies rated themselves approximately the same amount of respondents as in the case with documents, altogether 86% of positive ratings (56% of “yes” replies and 30% of “rather yes” replies), with only minor redistribution of negative ratings.

Next aspect is to know for a newcomer who his/her direct supervisor is, which positively rated 86% of respondents (67% “yes” and 19% “rather yes”) out of which 100% “yes” replied segment Others, but for example only 66% of developers answered positively (58% “yes” and 8% “rather yes”). Also people longer with company expressed more confidence in 82% of “yes” replies compared to 53% of “yes” replies in case of the other group. Weakest

awareness of their supervisor showed developers with 25% of “rather no” and 8% of “no” replies.

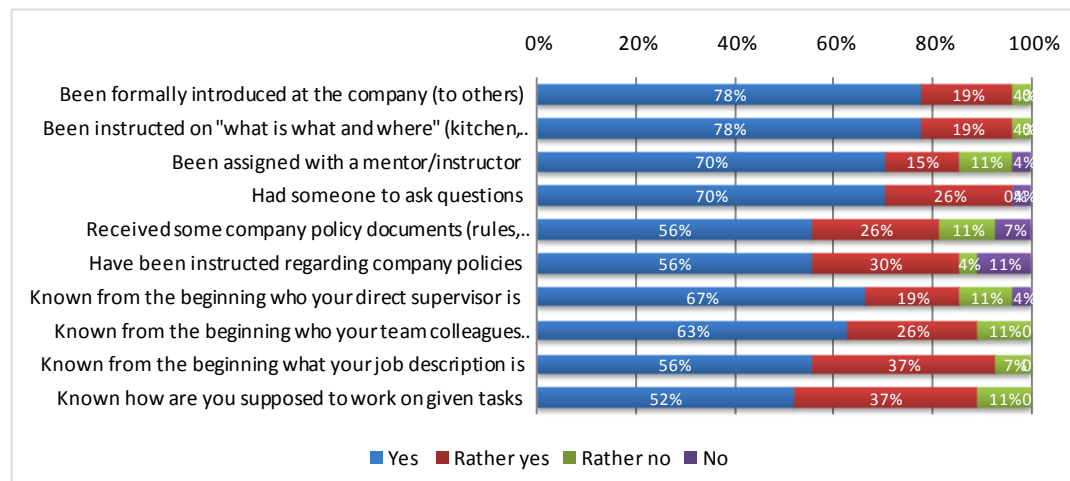
Very close result obtained awareness of who the team colleagues are with 89% of positive answers (63% “yes” and 26% “rather yes” answers) while only a few “rather no” replies accounting for company average of 11% of respondents came equally from segments developers, project managers and Others.

Job description was clear to 93% of respondents (56% replied “yes” and 37% “rather yes”), while higher job description awareness expressed people longer with company with 64% of “yes” replies compared to 47% of “yes” replies in case of newer employees. “Rather no” selections were then chosen by 17% of project managers (out of whom interestingly none selected direct “yes” option) and by 17% of Others.

The last examined aspect was whether respondents knew how to work on given tasks. Majority of answers was again positive with 89% of answers (52% “yes” and 37% “rather yes”). The “rather no” option then selected mainly employees longer with company from one segment only, concretely 50% of project managers.

In the last comparison were managers again more optimistic, especially regarding the first two aspects with their 100% “yes” selection (where employees aimed a little lower). Almost equally then both groups rated assignment of a mentor and having someone to ask questions. Lower ratings from employees obtained receiving company documents, instruction on company policies and especially knowing what the job description is. The rest was then approximately equal.

FIGURE 37: INDUCTION ELEMENTS



Source: Author's empirical research

Management and leadership summary

Exactly as expected, the leadership qualities consisting mainly from positive personal traits were very highly rated by majority of respondents as observed and present among their supervisors (with only minor exceptions). This result can be most likely from a big portion ascribed to the great social interactions and personal relations in the company (which have been independently confirmed in the questionnaires and by the company board).

Leadership skills essential for daily work were also very positively rated, especially in case of task definition and communication, planning skills, briefing skills, organizing and providing an example.

Slightly weaker perception received controlling, motivating and mainly evaluating. On average the highest skepticism showed developers, project managers and unassigned employees (Others).

Despite managerial statements of partial overload with tasks and rare dedicated time for leadership activities, there is no significant difference in between ratings of leadership qualities and leadership skills that both in sum oscillated around 90% of positive replies.

Based on questionnaire results I thus conclude that ***hypothesis H8: Leadership qualities are perceived among the management board significantly more positively (more often) than leadership functions was not confirmed.***

Synergies and advantages from already established teams are most likely achieved, nevertheless at least in case of unassigned employees (Others segment) there is some space for improvement. The improvement might not be necessarily achieved only by creating a long term team, but also a teambuilding activity for those employees might help.

Most elements of induction (especially formal introduction at the company, premises introduction, direct availability for asking questions, job description and how to work on given tasks) were by respondents highly positively rated as taking place in the past with only some exceptions stated mainly by developers, and to some extent also by project managers.

The other examined aspects (such as provided mentor or instructor, received company policy documents or company policy explanation, awareness of the direct supervisor and awareness of the team colleagues) were rated lower, but still in positive total numbers.

Interesting is the observed fact, where employees shorter time with company on average rated these induction elements higher showing thus a positive trend of improvements in this area of personal work (especially in case of mentor assignment and company documents). Yet, there was one exception, concretely awareness about direct supervisor. In this element were surer people joining MEMOS earlier than two years ago compared to those shorter time with company. There might have been fewer supervisors at that time, however direct supervisor awareness should attack 100% score as a basic formal aspect of job position. On top of that, based on replies to the first question of this section, there are even now significant gaps in formal structure foreknowledge.

One of the explanation for some induction elements being rated higher than others could be that more practical aspects of introduction to company are taken care of more unconsciously (as immediately necessary), but those not directly obvious (the lower rated set) are sometimes omitted. However, induction elements were always positively rated in the range from 96% of respondents to a minimum of 82% of respondents.

Despite board weaker perception of induction at the company, based on the questionnaire results I conclude that ***hypothesis H9: Less than 70% of employees rate positively components of their induction period was not confirmed.***

8.2.5. Final comments on the questionnaire topics

There were not only many “other” options allowing employees to express their own choice of answer throughout the whole questionnaire, but also a general comments field at the end (just before identification questions took place). As there were only a small number of those comments, I can restate all of them here.

As for developers, only one comment was provided noting literally *“I don't like to participate in such surveys.”* I can naturally understand this attitude in general, but since the results revealed some concrete areas for improvement and also as there are not many activities of this kind present in the company, I am convinced that benefits can beat the (for some) unpleasant effort.

From the segment project managers came some rather more constructive remarks. The first pointed out that office environment seems plain and that the person would like to have it decorated with pictures, posters or anything to make it nicer. Important part of it was note that he would even do it by himself only if allowed to. Another very interesting remark (for purposes of this work) stated that communication could be improved in general and despite worries of this person that not everybody in company might be as interested as him, he concretely would appreciate to know *“what's happening with company on regular bases...Even weekly.”*

Call center employees provided again one comment only, namely this person would appreciate more team buildings and more out of office activities.

People unassigned to other segments (Others) also added at least a few notes. First remark noted a willingness to be better informed about filling of teams with employees, who is working on which project and what are they roles. This was related to lack of information on who the current clients are and what projects are currently open (in progress), as well as some missing concrete list of long term clients. The last comment again stressed interest in information regarding company related events in general as well as regarding economic results.

9. Discussion and further recommendations

9.1. Discussion

Empiric research in MEMOS Software showed several interesting aspects of people management from perspectives of the management board as well as from the employees' point of view. All three separate empiric investigations revealed a part of the reality and together they create a representative analysis of current situation at the company.

First of all, pre-research identified several possibly problematic or challenging aspects of people management in the company, for example lack of regular personal activities and feedback sessions, communication, work motivation factors, mentoring of newcomers and consequent unclear job definitions, missing identification with the company, or people fluctuation. Company materials overview then revealed mainly possible information sharing issues, respectively some outdated information sources. These results from February 2011 thus spoke about many challenges in front of the company board. All of these topics were then taken into account for the actual research among managers and employees.

Interviews with board members were prepared in a way so that concrete findings and opinions within the pre-researched framework could have been identified and with respect to selected theory also specific managerial activities rated as present or offering space for improvement. Interestingly, when came to specific topics, the results were not as dramatic as it could have appeared from the pre-research. Prepared assumptions for interviews were evaluated with following results.

Assuming that *"management board is aware of space for improvement regarding internal communication"* was correct and confirmed by several independent comments.

The same result applies for *"internal communication planning is missing and communication is triggered solely by ad-hoc work delegation requirements"* assumption.

On the contrary, despite some minor pitfalls it is not the case that *"some internal communication channels are underestimated or not used for its full potential"*.

Clearly there are things to consider regarding motivating work remuneration, nevertheless statement *"work reward system is based dominantly on extrinsic (hygiene) components"* was not proved (nor denied).

Job design is according to board members considered and thus it is rather not true that *"jobs are not intentionally designed to be motivating; they only reflect current needs"*.

The last assumption *"management board does not have dedicated time for leadership activities"* appeared to be valid according to provided answers and should be deeply considered.

Questionnaire research among employees was prepared considering the same situation from the other perspective and sought to answer following hypotheses:

1. H1: More than 70% of employees know the company vision.

2. H2: More than 70% of employees know “what is going on” in the company.
3. H3: Less employees shorter time with company (less than two years) know about development opportunities than those longer with company.
4. H4: Less than 50% of employees receive regular feedback on their work.
5. H5: Social interactions are positively perceived by more than 90% of employees.
6. H6: Work remuneration is dominantly regular salary based, while other more intrinsic components receive less than 50% of employees.
7. H7: Less than 70% of employees have a clear idea about formal parts of their positions (their job description).
8. H8: Leadership qualities are perceived among the management board significantly more positively (more often) than leadership functions.
9. H9: Less than 70% of employees rate positively components of their induction period.

Validity of these hypotheses was confirmed or disproved in respective summaries of each section and the overall result is that **hypotheses H1, H2, H7, H8 and H9 were not confirmed** in the questionnaire research, and the **hypotheses H3, H4, H5 and H6 were confirmed**.

Above stated hypothesis were constructed on the rather skeptical starting information and pre-research results, yet only four out of nine of them were confirmed. More factors could have influenced that (especially those listed among limitations of the research below), but it is my personal finding from the analyzed results that employees at MEMOS Software are satisfied in general with the environment and appreciate especially the social interactions and high level of interpersonal relations (reflected also in high positive ratings of supervisors). These good relations are then probably also capable of some reduction of negative perceptions on formal shortages or other smaller issues regarding internal communication and work related aspects.

The overall result of the questionnaire research among employees thus showed several areas worth considering and improvement, but confirmed yet positive atmosphere in the company.

9.2. Research limitations

Despite my strong efforts, I could not have eliminated all aspects limiting the carried research. The main limitations of the empiric research thus are:

- Not all managers took part in the pre-research phase, which in their smaller number could have had an impact on results and drawn assumptions
- Pre-research questionnaires were distributed with short explanations to each question, however the author’s limited experience might have caused in some cases non-unified understanding to asked questions
- As a limitation can be considered also the necessary portion of honesty and openness of the management board when participating in a research on their possible weak spots or shortages, respectively the impossibility to find out more than was stated directly by participants and observed

- There is no unified concept of regular people management challenges emerging in organically growing companies and thus the selection used in this thesis might not be terminal
- The concrete field of business of the selected company has some impact on the results, especially considering the typical communication channels, company flat hierarchy structure and related promotion possibilities, employee technical specialization and others which make the identified challenges rather specific
- The native language of the respondents could have had influence on the questions understanding in all three empiric research parts as all questions and all written explanations in all parts were in English only (there are Czechs, Slovaks and Belarusians among employees, but none of them native English speaker)
- As all interviews were conducted by the author personally, despite the strong efforts of equal approach to all managers, his personality or explanations could be also ascribed to limitations of the research
- Interview with head of Belarus team was performed over Skype with respect to geographic distance and despite its longer duration and provided explanations, the missing personal factor could have had influence on the provided answers
- Employee questionnaire aimed to provide a meaningful answers selection and use adequately simple language with brief explanations, nevertheless the final understanding of each question might have had differed among employees
- The employee questionnaire response period aimed not to be too long in order to gather relevant replies from the same point in time; however it being the summer time could have influenced number of participants because of possible vacations
- Despite anonymity of the employee questionnaires being emphasized several times, the first roll out of those was accompanied by company director foreword appealing to participation and his interest in the thesis results. The positive gain of this approach was the clear board support for this research; nevertheless some employees could have questioned the anonymity then.
- Author's former personal involvement in the company could also have some impact on the first assumptions; nevertheless the added value of the extra context information and knowledge of the situation most likely overvalued those

9.3. Recommendations

The added value for MEMOS Software in this work is not just the provided analysis of current situation, but, as already explained among goals of my master thesis, also practical recommendations suited exactly for the software development environment at MEMOS. These recommendations are split into four parts corresponding with four main topics of this thesis.

9.3.1. Communication

Regarding communication in general, there are several aspects that should be always taken into consideration:

- Communication is a process that never stops and even silence or unwillingness to communicate is interpreted by others as a concrete (negative) message. Avoid rumors by providing explanations to all, also negative, events in the company life.
- It is most important to focus on how the target audience will interpret the message. Adjust your communication based on clearly distinguishable audiences.
- More effective discussion methods help to deliver the message and also to hear more from others. Use open questions (instead of closed), simple expressions for clear messages, show interest with reinforcement (leaning forward, head nods, etc.), use appropriate non-verbal communication (in line with what is being said, not contrarily), provide recognition and appraisal every time when deserved, self-disclose to support relationships building and promote assertiveness (for its effectiveness).

Internal communication should aim especially for satisfaction of employees, not only for delivering selected messages. The first and main goal should be that everybody in company, every single worker (not only pro-active ones), feels like he/she knows what is going on in company life and understands what is his/her role in it. In order to deliver every message properly, think about the target audience (especially consider newcomers) and what the best communication channel is (e.g. for some people only a short message suffice, some need to be explained personally).

Vision must be clear to and known by all employees, if nothing else from corporate culture, they need to know at least the vision so that they can identify with it and understand why their position is important. I propose incorporate the vision into internal materials and communication such as intranet homepage, newsletters, have it printed and posted somewhere inside offices and subtly repeat it during internal trainings or similar occasions.

Regarding communication channels, both direct and indirect, there is a space to:

- Re-start usage of newsletters so that they are regular and get perception as a summary on “what has been going on recently around here” (once a month is probably enough). Every time the newsletter is sent, it can be also pinned on the intranet homepage.
- Within a newsletter, or aside from it, send out official comments on important company events from the board. That is how you make maximal use of positive events and explain and minimize damages in case of negative ones.
- Use notice boards, for example for company statistics or vision reminding, but make sure to update them at least monthly so that they do not get outdated. When there are no statistics or updates to share, post photos from company team buildings.
- Create a special notice board with movable parts to symbolize progress in projects. Every time the status of the project moves forward, move the team avatars on the board forward as well. Put multiple teams there and the healthy competition is on.
- Promote regular team-meetings where people can communicate most effectively, solve misunderstandings and align their progress on the project. Make them short but effective.
- Make the electronic dashboard a reality, it should help overcome information gaps.
- Adjust intranet site so that it is used more often and for that purpose communicates more of company statistics, goals or vision again. Use corporate design for the intranet

site. Take electronic reports that are already available and incorporate them into the intranet site (show them aside the main content of pages) so that people can notice relevant statistics without extra effort. Automatically load a funny strip on the home page every day to make sure everybody goes on the intranet at least once.

- Decide whether to keep or shutdown the company blog; if it is to be kept then make sure to explain everyone the opportunity to get special rewards for contributions there. Remind it in newsletters and on notice boards.
- Re-start Wiki usage by updating its content, clearing the structure and communicating all new posts there (also include communication of all updates to newsletters)
- Focus on costless or cheap adjustments of office environment and equipment first; especially when there are people willing to decorate themselves (possibly only set some ground rules and keep corporate design involved).
- If you do not have a set proportion of budget to be used on working environment and equipment renewal/enrichment, think of one (for example 1-2% of sales). Use this budget so that even small improvements are to be seen continuously.
- Think of rituals that you would like to promote and stick to (e.g. inviting a team that has successfully delivered a project for lunch/dinner/beer, organizing smaller team buildings every time a newcomer joins the company, etc.)

Avoid typical pitfalls of internal communication, especially restricting information from employees. The more people are involved into decision process, the more they will participate on the solution. The same applies for information; the more of context they get, the better they can work on delegated tasks.

If you are afraid of communication overload, do not push all information, but make sure that you let them be available and that people know where and how to access them.

Start providing regular feedbacks to all employees and consider introducing annual (or semiannual) personal goal setting and evaluation sessions. Make sure to set challenging but achievable goals that you and every employee can sign below, sign it.

Prepare career plans for your employees based on their individual goal settings and regularly inform them on their progress.

Gather feedback from your employees. Ask not only about their supervisors, but also about the work they do, the working environment, their satisfaction, etc. Ask them for recommendations and opinions on company future.

If you change a working process or content of work, always consult with affected employees first.

Create an internal communication strategy (policy) that supports your company goals. Focus especially on introduction of planned changes to everyone involved, share projects and company results and use recognition as often as possible.

Choose a board member to be responsible for communication strategy and related activities.

Make sure that people know their professional development options, especially introduce and repeat those to newer employees and remind everyone personally from time to time (for example during a goal setting session...). Remember that professionals only stay with you as long as you can offer them professional growth.

Do not underestimate the internal communication and treat it as a strategic topic.

9.3.2. Work motivation

Select enthusiastic people; especially look for already motivated ones.

Enlarge the delegation of responsibility from the current level and make it a standard, so that everybody knows what he/she is responsible for. Empower people.

Prepare a plan of working environment and equipment improvements that reflects the budget options. Stick to the plan, because even small gradual changes can increase positive perceptions.

Find out about your employees' inner motivations and use them for their higher work satisfaction. The best moment when to start finding out about them is the selection process. Update your knowledge of those regularly during evaluation sessions, surveys, etc.

Once you start to use personal goal setting and evaluation, you can also delegate higher proportion of complex tasks (which are preferred by your employees) in line with their goals.

Make sure that progress in every single project is shared with all involved individuals (even if they have been involved only for a part of it).

Work remuneration should provide more motivational elements and within a certain framework, all employees (regardless of their position) should be able to achieve also bonuses for extraordinary work efforts and results. Standardize remuneration tools.

Try to set a clear profit sharing system; the more people bring for company, the more they get rewarded. On top of that, use costless intrinsic motivators (praise employees, empower them, challenge them, etc.), so that people can develop and self-actualize through their work.

Best remuneration tools for professionals are opportunities for growth and self-development; consult your employees on this topic and see what they want to become.

Be fair and demonstrate fairness, so that everybody feels to be treated and rewarded equitably. The opposite is very de-motivating.

Consider the motivation framework for each task/project. People always need to have set goals or targets (those targets need to be difficult but achievable) and need updates on how are they doing (remember that progress motivates). Consequently, when they realize how significant their work is, and that extraordinary results can bring special rewards, their inner motivation to perform increases.

All in all, ask for more by offering more.

9.3.3. Job design

Create job descriptions for every position in the company. Although job content will often shift because of flexibility needs, formalized and sorted job descriptions allow employees to easily check whether they do all tasks they ought to do and thus, among others, give them more responsibility and independence.

Every job description needs to include job title, reporting to specification, reporting to job holder specification, overall purpose of the job and main activities, tasks and duties.

Available job description makes it easier to substitute the person when necessary.

Refresh older job descriptions and add those missing while actualizing content of internal Wiki. Involve employees to this process (they know best what their tasks are).

Find out from time to time whether employees would not prefer job rotation, enlargement or enrichment (waiting until they demonstrate it by leaving is unpleasant and costly).

Whenever possible, design the job positions in order to take maximum advantage of employees' skills and let them be responsible for the final outcome. With this approach you will be able to increase employees' engagement and lower current fluctuation.

Be aware that, ideally, people need to be proud on their position, value it and see its meaningfulness.

Challenge employees with their work so that they keep interest in it, try to avoid assigning too many simple or repetitive tasks. Gradually scale up the complexity and difficulty. Especially focus on newcomers (currently they show lower interest in their work).

Widen employees' responsibilities by allowing them not only to execute their tasks, but also to plan them and up to a possible scale to also self-control their work afterwards (respectively allow repairs of revealed shortages).

Overall, build a professional job positions where everybody stays focused on his/her game by being responsible for the result, motivated by the challenge and rewarded especially by the personal growth resulting from this kind of environment.

9.3.4. Management and Leadership

Transform your leadership understanding (which you have) into reality (e.g. again by empowering people).

Dedicate enough time for leading activities and delegate your original job role tasks that you cannot handle anymore to your teams. This will eventually improve work profitability.

Seek essential personal attributes for success in your employees, especially ability to take decisions, leadership, integrity, enthusiasm and imagination (Thomas, 2004).

Use psychological and personal tests in selection processes in order to choose the right candidates. Share the results with newcomers and stay aware of individuals' personalities.

Prepare a structured induction period with a checklist for all necessities. Among them mainly always assign a mentor or instructor to all newcomers (might be a different person from their supervisor) and make sure they meet as often as required.

Design a short "newcomer's handbook" to be provided to all new employees with a set of basic policies, guidelines and explanations, and make sure newcomers know exactly who their direct supervisor is, to which team they belong, what their job description is and how are they supposed to work in the first days. There are no exceptions on these basics, it is a must.

Take special care of newcomers so that they feel involved as much and quickly as possible. First impressions as well as the first month of work are crucial.

Always support the team in achieving its tasks, maintain the team and recognize individuals (currently there is a need to more often recognize and motivate newer employees on one side and involve the older ones on the other side).

Agree on concrete objectives with your teams, identify with them and stick to them.

Consider establishment of clear general controlling mechanisms for employees. In line with those are evaluation rules for plans, teams as well as for individuals. These mechanisms and rules are also essential for the personal goal setting and evaluation sessions (see communication recommendations above).

Besides the individual goal setting and evaluation sessions with every employee separately, do a simple research in form of surveys among the staff on a regular basis. Once every six months should be enough to find out how did the mood in company develop, whether some introduced changes were accepted or not, or what are some new opinions among people on current events. Make sure to convince employees that their opinions count.

Create long-term established teams whenever possible or use more team building events (so that everybody knows each other better) to take advantage of the performing phase of teamwork (especially focus on employees segmented as Others).

Consider individual personalities when creating teams, avoid incompatible combinations.

Create a guideline for valuation of employees' added value for the company. Be aware of where (and by who) the value is created and where not. Act on it.

10. Conclusions

In my Master thesis I focused on people management challenges experienced typically in small companies just before they reach successful transformation into a middle size organization. As the challenges can be very specific with relation to the nature of business, history of company, personalities and skills of founders and executive managers as well as the business geographic location for example, I worked with a concrete company to be the target beneficiary of this work and dealt primarily with topics present there.

In the theoretic part of this work I elaborated on aspects of people in the work place; their communication, work motivation, design of job and leadership.

Communication topic introduced essential basics for interpersonal communication, the model of such communication and its important elements to be aware of, the human psychology behind the verbal and nonverbal expressions as well as conflict management tools. In the company internal communication was emphasized its purpose and goals, and its important elements, such as distinction of target audience, typical channels, but also typical shortages and finally advices for its strategic treatment.

Work motivation chapter provided with classic motivation theories and aspects of employee work engagement, while a special focus was put on most widely adopted and accepted theories of Maslow, McGregor and Herzberg. As a matter of fact, especially on those theories are built classic work motivation frameworks from Armstrong and Adair described at the end of the chapter.

A rather younger field of work motivation, job design, was introduced in the next chapter. Building elements of each job position were explained together with typical techniques for their preparation and also nature of work with its intrinsic motivations was emphasized. At the end of the chapter were listed advices on designing motivating job positions.

In the management and leadership chapter I covered basics for leading tasks and regular job roles combination, reviewed classic leadership theories and introduced the widely accepted model of Action Centered Leadership with its cornerstones. Team work development phases were mentioned as well and this chapter closed theoretic part of my thesis with induction essentials.

Empiric part of this work combined a pre-research in the company with consecutive qualitative research among the board members and quantitative research among company employees. Several assumptions and hypotheses were verified through the research which was accompanied with discussion, limitations and most importantly with recommendations.

In the pre-research part I used 13 questions long questionnaires distributed to all seven board managers (receiving back five filled forms) with questions trying to identify underperforming areas of people management from the board perspective. Replies were analyzed and discovered patterns (among them mainly weakly perceived regular personal work, unclear job definitions, unclear development opportunities and problematic top-down communication) were taken into account for the four main thesis topics content

selection. I also overviewed the internal company materials (especially intranet and Wiki), communication channels and the company premises. As a result I expected for example lack of communication standardization and awareness about the company life as well as poor satisfaction with plain offices look. Social interactions contrarily scored very well.

My research in MEMOS Software continued with its qualitative part, concretely with seven personal interviews with company board members in order to confirm or disprove several basic assumptions and gather background overview for questionnaire analysis.

During those interviews I concretely found out that managers already see space for improvements in internal communication, especially in case of discussion methods used, enrichment of office spaces and mainly in planning and regularity of their information sharing with employees (feedback including).

Some managers try use responsibility as a motivation factor of work and consider employees' motivations; however remuneration tools are not standardized and several usual intrinsic work motivations are almost omitted despite its negligible costs.

As far as job design was concerned, blur and also missing job descriptions were confirmed in the interviews as well as space for more independency was indentified; nevertheless it was not the case that jobs would not be planned or motivationally designed at all.

Leadership activities were told to be done on top of daily tasks without dedicated time for them causing also some work overload and thus offering significant space for improvement. On the other hand, consultations were preferred to orders, and also open friendly atmosphere in the company stressed as one of factors of fight against people fluctuation.

For the quantitative part of research I distributed electronic questionnaires among employees of the company and explained the added value for my thesis as well as for the company. I also reminded personally once all respondents over the response period in order to increase answers return rate. Eventually nearly 80% of company employees did reply on the questionnaire and those respondents were then segmented into six segments allowing deeper analysis.

When evaluating the communication section, I found out that only one third of employees know the company vision, only half of them perceives recognition, updates on company results or know "what is going on" in the company, and also that people shorter time with company rate their information perception considerably lower than those longer there (including professional growth options). Developers then expressed low company relevant information awareness in general. Also only less than half of employees receive regular feedbacks (and older employees receive them less than newer ones). Office environment and dining options for example should be improved according to respondents, but good social interactions and friendly atmosphere were confirmed by significant majority of them.

Work at MEMOS is understood as a tool for personal development (especially by developers), with preference for complex tasks but with lack of wider variety of (also nonmonetary) remuneration tools, their standardization and rewards for over-performers. As such, work remunerations were confirmed as dominantly regular salary based.

Regarding job design; employees two and more years with company use fewer skills in their work and receive less feedback compared to the other group; members of which find their jobs less interesting in general, less challenging and see much less learning opportunities. Despite those poorer ratings, formal aspects of job descriptions scored above expectations.

Leadership questions revealed that employees rate highly both qualities and skills of their supervisors, but on the formal level might not be sure who they are (concretely). Newer employees rated induction period aspects higher showing thus some positive development in personal work (while induction rating scored above expectations on company average); yet the direct supervisor awareness is much lower among newer employees compared to the older group.

General comments named a desire for better decorated offices, more out of office events, but mainly repeated wish to be informed on company results, statistics and achievements.

Overall, among the main research conclusions can be stated the confirmation of challenging aspects of people management to be present in the company and confirmed by management board members as well as by employees; on top of which managers directly named several such aspects as being already known weak spots.

However, not all original expectations and hypotheses were confirmed nor was the situation described as dramatic by managers or employees. It appears to be the reality that majority of shortages in communication or work motivation and design are overvalued by extraordinary good personal relations in the company and friendly working atmosphere. Rating results on leadership qualities and skills expressed by employees do clearly support this conclusion.

When appropriate focus on the revealed shortages will take place, I dare to claim that company board will receive support from its employees and together can significantly improve the situation and re-start the company growth, slow down people fluctuation and decrease management work overload with more delegation.

I closed my empiric research with discussion providing the summary on examined assumptions and hypotheses. Limitations of the research then listed main factors that could have influenced the results and emphasized the narrow research aim focusing on the concrete company with a specific business field. Taking all of that into consideration, the last part of this thesis provided practical recommendations for the management board of MEMOS Software that were prepared with regards to research results and company current situation.

In case of a need for even more thorough analysis on some concrete researched aspects, questionnaire segmented results are attached to this work (Appendix 5). On top of that, after consultations with company management I will further assist with implementation of some provided recommendations.

All in all, taking all conclusions into consideration, I can state that goals of my Master thesis were fulfilled.

11. Sources

- ADAIR, J.: *Leadership and Motivation*, London and Philadelphia: Kogan Page, 2006.
- ARMSTRONG, M.: *Jak se stát ještě lepším manažerem*, Praha: Ekopress, s.r.o., 2006.
- ARMSTRONG, M.: *Armstrong's Handbook of Human Resource Management Practice*, 11th edition, London: Kogan Page, 2009.
- BLACK, A. & C.: *Manage teams successfully*, London: A & C Black Publishers Ltd, 2007.
- CHMIEL, N.: *Jobs, Technology and People*, London and New York: Routledge, 1998.
- DeVito, J.A.: *Základy mezilidské komunikace*, 6th edition, Praha: Grada Publishing, a.s., 2008.
- FARRANT, J.: *Internal Communications*, London: Thorogood, 2003.
- HARGIE, O., DICKSON, D.: *Skilled interpersonal communication: Research, theory and practice*, 4th edition, London and New York: Routledge (Taylor & Francis Group, LLC), 2004.
- HARTLEY, P., BRUCKMANN, C.G.: *Business Communication*, London and New York: Routledge (Taylor & Francis Group, LLC), 2002.
- HLOUŠKOVÁ, I.: *Vnitrofiremní komunikace*, Praha: Grada Publishing, a.s., 1998
- HOLMAN, D., WOOD, S., WALL, T.D., HOWARD, A.: *Introduction to the Essentials of the New Workplace*. In D. HOLMAN, T. D. WALL, CH. W. CLEGG, P. SPARROW & A. HOWARD (Eds.): *The Essentials of the New Workplace: A guide to the Human Impact of Modern Working Practices* (pp. 1-14), Chichester: Wiley, 2005.
- HOLTZ, S.: *Corporate Conversations : A Guide to Crafting Effective and Appropriate Internal Communications*, New York: AMACOM Books, 2004.
- HORÁKOVÁ I., STEJSKALOVÁ D., ŠKAPOVÁ H.: *Strategie firemní komunikace*, 2nd extended edition, Praha: Management Press, 2008.
- JANDA, P.: *Vnitrofiremní komunikace – nástroje pro úspěšné řízení firmy*, Praha: Grada Publishing, a.s., 2004.
- KLEIN, H.-M., KRESSE, A.: *Psychologie – základ úspěchu v práci*, Praha: Grada Publishing, a.s., 2008.
- LAWLER, E. E., BOUDREAU, J. W.: *Achieving Excellence in Human Resources Management : An Assessment of Human Resource Functions*, Stanford: Stanford University Press, 2009.
- McKENNA, P.J., MAISTER, D.H.: *Efektivní leader*, Praha: Alfa Publishing, 2004.
- MINER, J. B.: *Organizational Behavior 1. Essential theories of motivation and leadership*, Armonk and London: M.E. Sharpe, 2005.
- NOVÝ, I., SURYNEK, A. et al.: *Sociologie pro ekonomy a manažery*, 2nd extended edition, Praha: Grada Publishing, a.s., 2006.
- PARKER, S.K., OHLY, S.: *Designing Motivating Jobs: An Expanded Framework For Linking Work Characteristics and Motivation*. In R. KANFER, G. CHEN & R. D. PRITCHARD (Eds.): *Work Motivation: Past, Present and Future* (pp. 233-284), New York: Taylor & Francis Group, LLC, 2008.

PROVAZNÍK, V. et al.: *Psychologie pro ekonomy a manažery*, Praha: Grada Publishing, a.s., 2002.

SCANNELL, M.: *The big book of conflict resolution games: Quick, Effective Activities to Improve Communication, Trust, and Collaboration*, McGraw-Hill Professional, 2010.

SINGLETON, R., TOOMBS, L. A., TANEJA, S., LARKIN, CH. & PRYOR, M. (2011). WORKPLACE CONFLICT: A STRATEGIC LEADERSHIP IMPERATIVE. *International Journal of Business & Public Administration*, 8(1), 149-163. Retrieved from EBSCOhost.

SMITH, L., MOUNTER, P.: *Effective Internal Communication*, 2nd edition, London and Philadelphia: Kogan Page, 2008.

STATT, D. A.: *Using Psychology in Management Training: The psychological foundations of management skills*, London and Philadelphia: Routledge (Taylor & Francis Group, LLC), 2000.

THOMAS, N. (Ed.): *The John Adair Handbook of Management and Leadership*, London: Thorogood Publishing, 2004.

WRIGHT, M., ROBERTSON, F.: *Creating an Internal Communication Strategy*. In M. WRIGHT (Ed.): *Gower Handbook of Internal Communication*, 2nd edition, GOWER e-book, 2009. (accessed via ebrary Business & Economics)

Electronic sources

Oxford Dictionaries. *Leadership; Communication*, 2010. Retrieved July 9 2011 from <http://oxforddictionaries.com/definition/>

MEMOS Software. *Company web presentation*, 2003-2011. Retrieved February 10 2011 from <http://www.memos.cz>

MEMOS Software. *Company intranet site*, 2003-2011. Retrieved February 10 2011 from <http://moss> (local network)

MEMOS Software. *Company internal Wiki*, 2003-2011. Retrieved February 10 2011 from <http://wiki> (local network)

The Free Dictionary. *Motivation*, 2003-2008. Retrieved July 9 2011 from <http://www.thefreedictionary.com/motivation>

12. List of figures

Figure 1: Basic scheme of interpersonal communication	4
Figure 2: Five conflict styles	16
Figure 3: The priority of needs according to Maslow	20
Figure 4: Interaction of needs.....	37
Figure 5: The planning continuum	38
Figure 6: Team work Development phases	40
Figure 7: Effective discussion methods.....	47
Figure 8: Direct Channels of internal communication	48
Figure 9: Work assigned to sub-ordinates	52
Figure 10: Sharing of progress in projects and company goals	52
Figure 11: Work remuneration	53
Figure 12: Motivation framework aspects.....	54
Figure 13: Basic Task elements and their independency at work	55
Figure 14: Intrinsic job motivators present at work	56
Figure 15: Difficulties with keeping the basic rules of the game	57
Figure 16: New versus established teams usage	57
Figure 17: Induction related processes.....	58
Figure 18: Respondents segmentation	60
Figure 19: Project Up Front adequate information	61
Figure 20: Selected elements of internal communication.....	62
Figure 21: Professional development opportunities	62
Figure 22: General feedback perception	63
Figure 23: Feedback to supervisors	63
Figure 24: Direct internal communication channels.....	64
Figure 25: Indirect internal communication channels.....	65
Figure 26: Internal wiki usage	66
Figure 27: Company life awareness	66
Figure 28: Nature of tasks preference	69
Figure 29: Work rewards.....	70
Figure 30: Selected elements of motivation frameworks.....	71
Figure 31: Have interesting job.....	72
Figure 32: Intrinsic job motivators.....	73
Figure 33: Components of job description	74
Figure 34: Tasks elements independency.....	74
Figure 35: Leadership qualities	77
Figure 36: Leadership skills	78
Figure 37: Induction elements	80

13. Appendices

Appendix 1 - Pre-research management questionnaire.....	97
Appendix 2 – Pre-research summary.....	99
Appendix 3 - Management questionnaire.....	102
Appendix 4 - Employee questionnaire.....	106
Appendix 5 – Employee questionnaire summary results	110

13.1. Appendix 1 - Pre-research management questionnaire

1. Please, in your own opinion, if there was one area of People Management in MEMOS that does not work properly – which one would that be?

(Assuming that the only important asset of MEMOS are people – are there simply some processes, workflows, communication or coordination problems, etc. that occur repeatedly and thus can be generalized? – choose one, the most significant)

2. Considering the HR area you listed above – what seems to be the problem/what does not work concretely?

(Please describe shortly what are the recurring issues concretely – few words is ok)

3. Considering the HR area you listed above – what seems to be causing the problems/where the problems originate? (And is it a long-term issue?)

(Do you have an opinion about source of the issues? E.g. too often changes on positions, unclear responsibilities, etc.)

4. In your own opinion, do you believe more effort devoted to this area would improve MEMOS effectiveness?

(Simply, do you believe it can reversed/improved and taken care of so that issues are eliminated? - actually yes/no answer can do)

5. If you feel like there is more areas of HR that would benefit from some adjustments (or problematic areas), please list them:

(In question 1 you chose one area that might not be working 100% yet, are any others you can think of?)

6. Now, going away from the previous questions, do you believe that some areas important for People Management are not taken care of at all in MEMOS? What do you completely miss?

(Is there any missing element of people management that you would welcome/think might help? – e.g. regular feedbacks, regular team buildings, written “promotion”/“pay rise” rules, etc.)

7. On the other hand, please list what do you consider to be well taken care of in MEMOS regarding HR. What do you like about People Management in MEMOS?

(What do you consider is the best element about working in MEMOS – working with people in MEMOS?)

8. Now, going away from the previous questions, do you feel to always have sufficient and enough information regarding People in MEMOS? (Changes, positions, responsibilities, etc.) Can you always find the information you need?

(Simply based question about knowing where to look for information/having them/being always updated – e.g. about changes, positions, responsibilities, etc.)

9. Are you satisfied with the Personal Development opportunities that you have in MEMOS? And in general for all employees?

(Rather employee question, nevertheless, do you feel that are enough opportunities for you to let you grow personally/professionally? – e.g. gaining responsibilities, knowledge sharing, skill trainings, certifications, etc.)

10. What Personal Development opportunities do you take advantage of (or at least once did)?

11. In your own opinion, are you enough skilled in terms of social skills (soft skills) to always manage customers, colleagues and the relevant relations to the best outcome?

12. Considering the social skills (soft skills) mentioned above, what about employees in MEMOS? In your own opinion, would development in that area improve situation in MEMOS?

(Simply, do you think introducing more complex soft skills developing programs for employees (often students) would improve our results? e.g. better contract closing, better customer listening, etc.)

13. Considering the social skills (soft skills) mentioned above, would you be interested in trainings of those skills? If yes, what would be the motivation?

(Would you personally also like to attend such trainings? And those you skills you master already, would you be willing to share them?)

13.2. Appendix 2 – Pre-research summary

13.2.1. Board questionnaire results

The very first stage of the work with company – MEMOS Software – aimed at the identification of management point of view on the people management situation. Stressed were mainly possible problematic areas with regards to purpose of this work, which is to recommend improvements specifically suited for a small (close to middle size) IT company. In order to gather some relevant overview of the general opinion, 13-questions long questionnaires were distributed among each member of company management (seven members) out of which five completed responses were collected.

The questionnaire focused on Human Resources activities and general opinion regarding the people situation and management within the company (see Appendix 1 for the full version of the questionnaire used). It is important to mention at this point that questions were mixed in order to collect relevant starting points for the next stage of research within the company and thus the questionnaire did not focus on specific areas, nor aimed too deep and was not intended to create a particularly coherent piece. On the other hand, all surveys and interviews performed after this first round were incomparably deeper in their focus on company relevant topics.

Firstly, the overall underperforming crucial areas of people management were examined. From the employee relevant perspective, missing regular personal work was mentioned among most relevant aspects. More concretely, variety of factors from lack of any kind of career planning for employees of MEMOS, through motivation difficulties and new incomers mentoring all the way down to simply missing feedback sessions were pointed out. Complementary, the managerial point of view uncovers obviously missing HR responsible person with adequate time fund to perform all necessary activities.

Out of this sketched situation result employees lacking identification with the company, understanding of MEMOS culture and work habits, unclear job definitions and eventually also high people fluctuation. Consequently the quality of production is thought to be influenced negatively.

Next question examined existence of perceived potential benefits of considerable improvement in above mentioned areas. Naturally, improvement would be beneficial, nevertheless the costs associated with e.g. hiring a personal manager are perceived as too high (one suggested possibility is to create an actual cost/benefit analysis to be presented). Rest of answers pointed out what could be done better. Unfortunately the missing personal capacities could most likely emerge.

Further question aimed more generally to list other possible problematic aspects of people management work in order not to forget also less crucial but still (maybe even complementary) relevant activities. Managerial aspect dominates here. Among the responses were identified selection processes for non-programming personnel, missing up-to-date pool of possible job candidates, top-down communication and soft-skills of the management (trainings of which were listed as completely missing).

Naturally, not only problematic areas were researched, but also those well performing. Majority of responses circled around social activities, including team buildings, regular sport events and personal attitude in general. Selection process for programmers was listed also as very much ok.

The availability of people management relevant information (e.g. responsibilities, changes in positions, etc.) were, from the managerial point of view, perceived as adequate, nevertheless rather than any kind of system it is based on informal information sharing and thus some employees might be left out from the information flow.

The management perspective on personal development opportunities in MEMOS showed that big portion of individual's will is necessary to attain a real development, either IT-skills wise or soft-skills wise. Some of pro-active individuals are now among management of the company, nevertheless a majority of employees fluctuates often to other companies, possibly also while pursuing their career development. Lack of communication regarding opportunities in MEMOS was listed as well.

Company management was also asked about their own individual perception of managerial soft-skills and possible willingness to develop some more. Provided answers contained partial satisfaction with own skills, nevertheless everyone stressed the need for continuous self-development and some practical examples were listed (leadership, sales skills). The last but not least, the whole management is open to take part in relevant trainings and would appreciate those even for employees.

13.2.2. Personal observations and internal company materials overview

The current situation at MEMOS Software is according to my personal observation at least partially corresponding with typical challenges of people management in smaller companies described in introduction of this work. Concretely I would mention not insignificant employee fluctuation rate, very slow organic growth of company revenues (rather stagnation), some information sharing issues and only recently introduced initiative for vision communication and pursuit (as a positive factor after all, but benefits are yet too early to be seen).

One of the most important factors of this state is according to me a missing HR Manager. All HR activities are thus spread among the management body of the company, while the Technical Director is responsible for majority of them (including employee selection and induction) on top of his job role tasks.

Regarding the observed communication and based on analyzed materials, there are several information sources and typical communication situations. Management meetings are for a while now only irregular based on current needs. Regular company meetings or team meetings were not noticed. Trainings for developers and project managers are on agenda and promoted in internal documents, nevertheless instead of periodically they take place rather irregularly every few months. Regular meetings almost on daily basis are kept only by sales related staff (rather inevitable than planned).

Overall I can state that majority of information sharing is based on face-to-face communication and word of mouth, while only as complements are used following information sources:

Printed/written - none

Electronic

- E-mail communication (most widely used)
 - Messages addressed “to all” that deliver general information regarding either current events or recurring notices (e.g. to check attendance)
 - Automatic e-mails generated from reports with notifications
- Intranet site
 - Documents storage (unfortunately with unclear structure, majority of historical and old documents)
 - Reporting source (up-to-date electronic reports can be accessed there)
 - List of employees (without organization structure)
 - Possibility of internal messages (dashboard), not used for this purpose
 - Links to other internal sites
- Internal Wiki
 - Aimed to be the main company information source (unfortunately outdated)
 - History of company
 - Vision and mission statements (unfortunately not the current ones)
 - Job descriptions and roles
 - More or less defined roles are: Administrator (IT), Carpet manager (uklízečka), eWay Consultant, eWay Director, eWay Development Manager, Project Manager, Sales Assistant, Sales Manager – Trader, Technical Director
 - Processes of the project (quite deeply described, unfortunately very hard to read and understand)
 - Process responsibilities (delegation of internal processes supervision among management board)
 - Internal systems description
 - Bonus system (defined for Project managers, Traders, eWay Traders, eWay Development Managers, Telemarketers)
 - Training and certification opportunities
 - Internal processes (unfortunately often empty pages or just recommendations to look on Intranet site; those that are described and explained often refer to old office premises exchanged for current location 18 months ago or to corporate standards (such as logo and fonts) exchanged at the beginning of 2011 - such examples are plenty)
- Redmine site (project development documentation and bug-fixing tool)
- Two to three main company products have their own internal/external sites with information regarding the product (internal-project documents and plans, external-FAQ, knowledge base, support topics, etc.)

13.3. Appendix 3 - Management questionnaire

This interview questionnaire is supposed to assess all managers at MEMOS Software for the purposes of master thesis Challenges of people management in a smaller company. Most questions are to be subjectively answered based on their personal experience and perceptions. This questionnaire is considered to be private and consequently anonymous as all questionnaires will be evaluated together topic by topic and all answers will be only assigned to management as a whole (no names will appear any further).

The questionnaire should identify positive management practices as well as weak spots. Results will serve for recommendation part of the thesis. Please be honest so that recommendations can be constructive ones.

Please do not talk about content of this questionnaire with your peers until they are assessed as well, so that the results can be representative. Please feel free to comment on any question.

Communication

1. Regarding effective discussion methods (techniques supporting constructive communication) please rate yourself to what extent/how do you use (regularly in proper manner/usually, space for improvement/hardly ever, unskilled/not at all)
 - a. Questioning
 - b. Simple and clear messages
 - c. Reinforcement and Active listening
 - d. Reflecting
 - e. Non-verbal communication (external appearance, mimics, speech skills, personal space, gesticulation and body movements, proximity)
2. In your opinion, what does the term “internal communication” stand for? What are its goals? (please list)
3. What components of direct internal communication channels do you use (and for which purposes)? (regularly/sometimes/hardly ever/never)
 - a. Newsletters
 - b. Notice boards
 - c. Team meetings
 - d. Live events (team buildings, company events, ...)
 - e. Videos
 - f. Plasma/LCD displays
 - g. Video conference
 - h. Phone
 - i. E-mail
 - j. Intranet site
 - k. Company blog
 - l. Wiki
 - m. Instant messaging, VOIP (including Skype)
 - n. Web meetings (online collaboration)
4. Are you aware of indirect channels of communication? How do you work with them?
 - a. Office environment and equipment

- b. Refreshment and dining options
 - c. Social interactions
 - d. Openness of management - especially collaboration support, open discussions
 - e. Company and top management reputation
 - f. Company culture, traditions and rituals
5. Can you state the company vision?
 6. How do you share (through what channels and occasions) this vision with your employees?
 7. Regarding company internal communication, would you say that all employees are fully informed /or have access to all information that they need for work but also to “know what is going on inside company”?
 8. When you make a decision about new procedures/new projects or some change in working processes, do you consult first with your employees or do you prepare the solution alone and then communicate only benefits to them?
 9. Do you use some kind of communication planning regarding...
 - a. content (company goals, strategies and visions, customer needs, team roles, company expectations from employees, but also relevant company statistics and general policies as well as changes coming up in the future)
 - b. groups (separately communicate adjusted messages)
 - c. do you have some standardized communication that would be repeated in common situations?
 10. Do you provide feedback to your sub-ordinates?
 - a. Regularly (based on company rules)
 - b. Sometimes
 - c. Hardly ever (based on a situation)
 - d. Not at all

Work motivation

1. Do you in some way prepare work for your sub-ordinates to be motivating? How do you motivate them?
2. Do you somehow arrange the working environment to be motivating? How?
3. How do you find out about employee motivation when selecting them? Is it a selection decision factor at all?
4. Are you aware of individual motivation needs of each of your sub-ordinates?
5. Regarding work that you assign to your sub-ordinates, would you say that you rather
 - a. Assign structured tasks that they know how to solve (and not too complicated)
 - b. Assign rather complex tasks that they need to creatively solve on their own (and possibly learn new things to able to do that)
6. Do you share results and progress in projects and company goals with sub-ordinates? (progress motivates) (regularly/sometimes/hardly ever/never)
7. For exercised work performance/contribution, how do you rewarded your sub-ordinates (always/usually/hardly ever/never)
 - a. Regular/fixed/hour-based salary
 - b. Performance bonus
 - c. Recognition (appraisal)

- d. More independence for next tasks
 - e. More responsibility for next tasks
 - f. Assigning more challenging tasks
 - g. The possibility of promotion
 - h. other
8. Regarding projects that your sub-ordinates work on, do they... (always/usually/hardly ever/never)
- a. Have set goals/targets that they need to achieve
 - b. Are provided with regular feedback on how are they doing
 - c. Can get special reward if over-performed
 - d. Know how important the project for company is
 - e. Are consulted (before they ask for it) for whatever needs or assistance they might need

Job design

- 1. Do you have a formalized job description for every working position/job role?
- 2. Do your employees have a form/link to a document/access to location, with their specific job description?
- 3. Job design aims not to only satisfy organization needs, but also to maximize usage of employee skills and their responsibilities in order to motivate them. Is it something that you consider for job descriptions?
- 4. Considering your sub-ordinates typical work/tasks, are they allowed independently to (yes, independently/rather yes, with consultation /rather no, mostly decided by me/no, completely decided by me)
 - a. Plan the work (needed time, resources, etc.)
 - b. Execute (perform the work)
 - c. Self-control (and fix mistakes if necessary)
- 5. Intrinsic job motivators are for example opportunities to grow and personally develop or space for achievements. Which motivating characteristics are present in jobs of your sub-ordinates (always and fully/ usually / hardly ever / not at all)
 - a. Feedback (every performance evaluation)
 - b. Use of abilities (usage of abilities that employees have and value)
 - c. Self-control (space for independence, goal setting and action path selection)

Leadership

- 1. What does the term leadership mean to you?
- 2. In an expert working environment (such as programming), it might be difficult to keep basic rules in place for the employees, do you experience this issue? (yes/rather yes/rather no/no)
- 3. Once you became responsible for other employees, did you still have to perform your original job description?
- 4. How did it proportionally change your working time distribution? (Did you have time issues to fulfill all you tasks then?)
- 5. Regarding your sub-ordinates, do you lead long-term established teams or are the teams composed from different people for every task/project?
 - a. There are a long-term established team with given tasks

- b. I always assign a newly established team based on current project
- 6. When you select a new employee, do you look only on professional experience and skills? Or how much value do you assign to personal traits (that will or will not fit to the company) of the applicant?
- 7. Do you somehow take into consideration attractiveness of the job for the new incomer so that he/she would be challenged and motivated by it?
- 8. When you accept a new employee, is he/she (yes/rather yes/rather no/no)
 - a. Formally introduced at the company (to others)
 - b. Instructed on “what is what and where” (kitchen, bathrooms, etc.)
 - c. Assigned with a mentor/instructor
 - d. Has someone to ask questions
 - e. Receives some company policy documents (rules, hints, advices, customs, ...)
 - f. Instructed regarding company policies
 - g. Knows from the beginning who his/her direct supervisor is
 - h. Knows from the beginning who his/her team colleagues are
 - i. Knows from the beginning what his/her job description is
 - j. Knows how is he/she supposed to work on given tasks
- 9. What do you do to minimize employees’ fluctuation?

What is your position/title?

How long are you with the company?

How many sub-ordinates do you supervise?

13.4. Appendix 4 - Employee questionnaire

Dear colleagues, please take 10-15 minutes to fill this survey with your opinions regarding people management approach in our company. It is an essential part of my master thesis and the results will serve to propose management and communication improvements inside MEMOS.

There are 4 parts in this survey, mainly multiple choice selection only. So that you can be completely honest, it is anonymous of course.

I sincerely thank you for your help, Michal

Communication

1. Do you know the company vision? If Yes, please write it down (at least approximately)
2. Are you provided with all information that you need to work on a particular project? (yes always / yes usually / often no (need to ask for more) / never (always need to ask))
3. How often do you perceive following events at work: (regularly/sometimes/hardly ever/never)
 - a. Introduction of planned changes with their explanation
 - b. Updates on company achievements and results
 - c. Recognition (praise) of team or individual good performance
4. Are you aware of your professional development opportunities in the company? (yes all of them/yes some/not really sure/I don't know about any/other)
5. Do you receive feedback from your manager (supervisor)? (yes regularly/ yes sometimes / only hardly ever or based on a situation / not at all / other)
6. Do you have an option to provide feedback to your manager (supervisor) or to propose other ideas? (yes/rather yes/rather no/no/other)
7. Which of these communication channels are used in the company (regularly/sometimes/hardly ever/never)
 - a. Newsletters
 - b. Notice boards
 - c. Team meetings
 - d. Live events (team buildings, company events, ...)
 - e. Videos
 - f. Plasma/LCD displays
 - g. Video conference
 - h. Phone
 - i. E-mail
 - j. Intranet site
 - k. Company blog
 - l. Wiki
 - m. Instant messaging, VOIP (including Skype)
 - n. Web meetings (online collaboration)
8. How do you perceive following indirect communication channels (well taken care of/quite ok/could be better/need to be fixed)
 - a. Office environment and equipment
 - b. Refreshment and dining options

- c. Social interactions (relations with co-workers (also outside work), open friendly atmosphere, etc.)
 - d. Openness of management - especially collaboration support, open discussions
 - e. Company and top management reputation
 - f. Company culture, traditions and rituals
9. Please rate your usage of internal Wiki
- a. I don't know what kind of information are there (and do not use it)
 - b. I have an idea what can I find there (but I don't really use it)
 - c. I know what can I find there (and I use it as an important information source)
 - d. Other (write down)
10. Would say that you are generally well aware of what is going on in the company?
(yes/rather yes/rather no/no)
11. Would you say that conflicts are well resolved when they emerge? (always well resolved/usually well resolved/hardly ever resolved/not resolved)

Work Motivation

1. Please write down what does work mean to you (what role it has in your life)
2. Regarding work, would you say that you rather
- a. Prefer to be given structured tasks that you know how to solve (and not too complicated)
 - b. Prefer rather complex tasks that you need to creatively solve on your own (and possibly learn new things to able to do that)
 - c. Other (write down)
3. For your work performance, are you rewarded with (select all that apply)
- a. Regular/fixed/hour-based salary
 - b. Performance bonus
 - c. Recognition from your supervisor (appraisal)
 - d. More independence for next tasks
 - e. More responsibility for next tasks
 - f. Getting more challenging tasks
 - g. The possibility of promotion
 - h. other
4. Would you say that regarding projects that you work on, you (always/usually/hardly ever/never)
- a. Have set goals that you need to achieve
 - b. Are provided with regular feedback on how are you doing
 - c. Can get special reward if over-performed
 - d. Know how important the project for company is
 - e. Are consulted for whatever needs or assistance that you might need

Job design

1. Do you consider your work interesting enough? (yes/rather yes/rather no/no)
2. Do you perceive / get ... in your work? (yes/rather yes/rather no/no)
- a. Autonomy
 - b. Feedback
 - c. Skills variety

- d. Task identity
 - e. Challenge
 - f. Opportunities for learning
 - g. Space for your own decisions
3. Regarding your concrete job role and job description, do you know (yes/rather yes/rather no/no)
- a. Job title
 - b. Who are you reporting to
 - c. Who is reporting to you
 - d. Overall purpose of the job for company
 - e. Main activities, tasks and duties
4. Considering your typical work/tasks, are you allowed independently to (yes, independently/rather yes, with consultation /rather no, mostly decided for me/no, completely decided for me)
- a. Plan the work (needed time, resources, etc.)
 - b. Execute (perform the work)
 - c. Self-control (and fix mistakes if necessary)

Leadership

1. Next questions ask about your direct supervisor/boss. Who is it? (write down his/her name)
2. In your own opinion, would you say that your manager (supervisor) possesses leadership qualities such as (yes/rather yes/rather no/no)
- a. Being enthusiastic
 - b. Showing integrity (keeping principles)
 - c. Tough but fair treatment
 - d. Cares for others
 - e. Is open to different opinions
 - f. Is confident
 - g. Gives direction
 - h. Provides inspiration
 - i. Builds a team spirit
 - j. Sets an example
 - k. Is accepted
3. How would you rate your manager (supervisor) in the following functions (very skilled/quite skilled/rather unskilled/failure)
- a. Defining the task (and proper related communication)
 - b. Planning (including involvement of other ideas)
 - c. Briefing (communicating)
 - d. Controlling
 - e. Evaluating (plans, team performance, individuals and him/her-self)
 - f. Motivating
 - g. Organizing
 - h. Providing an example

4. Are you a member of long-term established team or are the teams composed from different people for every task/project?
 - a. I work in a long-term established team with given tasks
 - b. I am always assigned to a newly established team based on current project
5. When you first joined the company, have you (yes/rather yes/rather no/no)
 - a. Been formally introduced at the company (to others)
 - b. Been instructed on “what is what and where” (kitchen, bathrooms, etc.)
 - c. Been assigned with a mentor/instructor
 - d. Had someone to ask questions
 - e. Received some company policy documents (rules, hints, advices, customs, ...)
 - f. Have been instructed regarding company policies
 - g. Known from the beginning who your direct supervisor is
 - h. Known from the beginning who your team colleagues are
 - i. Known from the beginning what your job description is
 - j. Known how are you supposed to work on given tasks

Do you have any additional comments or remarks? (Anything you might want to add on this topic is appreciated and will be taken into account)

How long are you with the company?

What is your working position? (Development or graphics / project manager / sales or marketing / customer relations / tester / other)

Gender (male/female)

Your age (20-25/26-35/36 and more)

13.5. Appendix 5 – Employee questionnaire summary results

2. Are you provided with all information that you need to work on a particular project?	All	<2years	>2years	Develop	PM	Callc	Others	
Yes, always	19%	20%	18%	25%	0%	0%	33%	
Yes, usually	56%	47%	73%	67%	33%	67%	50%	
Often no (need to ask for more information)	19%	20%	9%	0%	50%	33%	17%	
Never (always need to ask for more information)	4%	7%	0%	8%	0%	0%	0%	
Other	4%	7%	0%	0%	17%	0%	0%	
3. How often do you perceive following events at work	All			<2years				
	Regularly	Sometimes	Hardly ever	Never	Regularly	Sometimes	Hardly ever	Never
Introduction of planned changes with their explanation	11%	48%	33%	7%	7%	60%	27%	7%
Updates on company achievements and results	7%	41%	37%	15%	0%	40%	40%	20%
Recognition (praise) of team or individual good performance	26%	26%	41%	7%	20%	27%	40%	13%
	>2years			Develop				
	Regularly	Sometimes	Hardly ever	Never	Regularly	Sometimes	Hardly ever	Never
Introduction of planned changes with their explanation	9%	36%	45%	9%	8%	33%	42%	17%
Updates on company achievements and results	18%	36%	36%	9%	0%	42%	42%	17%
Recognition (praise) of team or individual good performance	36%	18%	45%	0%	25%	33%	33%	8%
	PM			Callc				
	Regularly	Sometimes	Hardly ever	Never	Regularly	Sometimes	Hardly ever	Never
Introduction of planned changes with their explanation	0%	67%	33%	0%	33%	67%	0%	0%
Updates on company achievements and results	17%	50%	33%	0%	0%	67%	33%	0%
Recognition (praise) of team or individual good performance	33%	17%	50%	0%	33%	33%	33%	0%
	Others							
	Regularly	Sometimes	Hardly ever	Never				
Introduction of planned changes with their explanation	17%	50%	33%	0%				
Updates on company achievements and results	17%	17%	33%	33%				
Recognition (praise) of team or individual good performance	17%	17%	50%	17%				
4. Are you aware of your professional development opportunities in the company?	All	<2years	>2years	Develop	PM	Callc	Others	
Yes, all of them	22%	13%	36%	25%	33%	0%	17%	
Yes, some	52%	53%	45%	50%	67%	33%	50%	
Not really sure	19%	20%	18%	25%	0%	67%	0%	
I don't know about any	7%	13%	0%	0%	0%	0%	33%	
Other	0%	0%	0%	0%	0%	0%	0%	
5. Do you receive feedback from your manager (supervisor)?	All	<2years	>2years	Develop	PM	Callc	Others	
Yes, regularly	41%	47%	27%	42%	33%	100%	17%	
Yes, sometimes	37%	27%	55%	42%	33%	0%	50%	
Only hardly ever or based on a situation	19%	20%	18%	17%	33%	0%	17%	
Not at all	0%	0%	0%	0%	0%	0%	0%	
Other	4%	7%	0%	0%	0%	0%	17%	
6. Do you have an option to provide feedback to your manager (supervisor) or to propose other ideas?	All	<2years	>2years	Develop	PM	Callc	Others	
Yes	67%	60%	73%	75%	50%	67%	67%	
Rather yes	30%	40%	18%	25%	33%	33%	33%	
Rather no	0%	0%	0%	0%	0%	0%	0%	
No	0%	0%	0%	0%	0%	0%	0%	
Other	4%	0%	9%	0%	17%	0%	0%	
8. How do you perceive following indirect communication channels	All	<2years	>2years	Develop	PM	Callc	Others	
	Well taken	Quite ok	Could be better	Need to be fixed	Well taken	Quite ok	Could be better	Need to be fixed
Office environment and equipment	15%	41%	37%	7%	20%	40%	33%	7%
Refreshment and dining options	7%	33%	52%	7%	13%	27%	60%	0%
Social interactions (relations with co-workers (also outside work), open friendly atmosphere)	52%	48%	0%	0%	47%	53%	0%	0%
Openness of management - especially collaboration support, open discussions	44%	48%	7%	0%	47%	47%	7%	0%
Company and top management reputation	41%	56%	4%	0%	40%	53%	7%	0%
Company culture, traditions and rituals	19%	67%	15%	0%	20%	53%	27%	0%
	>2years			Develop				
	Well taken	Quite ok	Could be better	Need to be fixed	Well taken	Quite ok	Could be better	Need to be fixed
Office environment and equipment	9%	45%	45%	0%	25%	33%	33%	8%
Refreshment and dining options	0%	45%	45%	9%	17%	58%	25%	0%
Social interactions (relations with co-workers (also outside work), open friendly atmosphere)	55%	45%	0%	0%	58%	42%	0%	0%
Openness of management - especially collaboration support, open discussions	36%	55%	9%	0%	42%	58%	0%	0%
Company and top management reputation	45%	55%	0%	0%	42%	50%	8%	0%
Company culture, traditions and rituals	18%	82%	0%	0%	25%	75%	0%	0%
	PM			Callc				
	Well taken	Quite ok	Could be better	Need to be fixed	Well taken	Quite ok	Could be better	Need to be fixed
Office environment and equipment	17%	50%	33%	0%	0%	33%	33%	33%
Refreshment and dining options	0%	17%	67%	17%	0%	0%	67%	33%
Social interactions (relations with co-workers (also outside work), open friendly atmosphere)	67%	33%	0%	0%	33%	67%	0%	0%
Openness of management - especially collaboration support, open discussions	33%	33%	33%	0%	33%	67%	0%	0%
Company and top management reputation	50%	50%	0%	0%	0%	100%	0%	0%
Company culture, traditions and rituals	17%	50%	33%	0%	0%	100%	0%	0%
	Others							
	Well taken	Quite ok	Could be better	Need to be fixed				
Office environment and equipment	0%	50%	50%	0%				
Refreshment and dining options	0%	17%	83%	0%				
Social interactions (relations with co-workers (also outside work), open friendly atmosphere)	33%	67%	0%	0%				
Openness of management - especially collaboration support, open discussions	67%	33%	0%	0%				
Company and top management reputation	50%	50%	0%	0%				
Company culture, traditions and rituals	17%	50%	33%	0%				
9. Please rate your usage of internal Wiki	All	<2years	>2years	Develop	PM	Callc	Others	
I don't know what kind of information are there (and do not use it)	26%	27%	27%	33%	0%	67%	17%	
I have an idea what can I find there (but I don't really use it)	44%	47%	45%	58%	50%	0%	33%	
I know what can I find there and I use it as an important information source	22%	13%	27%	8%	50%	33%	17%	
Other	7%	13%	0%	0%	0%	0%	33%	
10. Would you say that you are generally well aware of what is going on in the company?	All	<2years	>2years	Develop	PM	Callc	Others	
Yes	15%	7%	27%	17%	17%	0%	17%	
Rather yes	41%	47%	36%	25%	50%	33%	67%	
Rather no	37%	40%	27%	42%	33%	67%	17%	
No	7%	7%	9%	17%	0%	0%	0%	
Other	0%	0%	0%	0%	0%	0%	0%	
11. Would you say that conflicts are well resolved when they emerge?	All	<2years	>2years	Develop	PM	Callc	Others	
Always well resolved	19%	20%	18%	17%	17%	0%	33%	
Usually well resolved	67%	67%	64%	67%	67%	100%	50%	
Hardly ever resolved	0%	0%	0%	0%	0%	0%	0%	
Not resolved	0%	0%	0%	0%	0%	0%	0%	
Other	15%	13%	18%	17%	17%	0%	17%	

Challenges of People Management in MEMOS Software

7. Which of these communication channels are used in the company	All				<2years			
	Regularly	Sometimes	Hardly ever	Never	Regularly	Sometimes	Hardly ever	Never
Newsletters	4%	26%	52%	19%	0%	33%	40%	27%
Notice boards	11%	0%	11%	78%	13%	0%	0%	87%
Team meetings	15%	52%	22%	11%	20%	33%	33%	13%
Live events (team buildings, company events, ...)	7%	78%	11%	4%	7%	73%	13%	7%
Videos	4%	0%	19%	78%	7%	0%	7%	87%
Plasma/LCD displays	4%	0%	15%	81%	7%	0%	0%	93%
Video conference	4%	7%	22%	67%	7%	7%	13%	73%
Phone	56%	26%	7%	11%	60%	20%	7%	13%
E-mail	89%	7%	4%	0%	93%	0%	7%	0%
Intranet site	22%	19%	41%	19%	20%	20%	40%	20%
Company blog	0%	7%	30%	63%	0%	7%	20%	73%
Wiki	15%	41%	22%	22%	20%	33%	20%	27%
Instant messaging, VOIP (including Skype)	85%	7%	4%	4%	80%	7%	7%	7%
Web meetings (online collaboration)	15%	19%	33%	33%	13%	7%	33%	47%
	>2years				Develop			
	Regularly	Sometimes	Hardly ever	Never	Regularly	Sometimes	Hardly ever	Never
Newsletters	9%	18%	64%	9%	8%	17%	42%	33%
Notice boards	0%	0%	27%	73%	8%	0%	17%	75%
Team meetings	0%	82%	9%	9%	8%	58%	25%	8%
Live events (team buildings, company events, ...)	9%	82%	9%	0%	8%	83%	8%	0%
Videos	0%	0%	36%	64%	0%	0%	17%	83%
Plasma/LCD displays	0%	0%	36%	64%	0%	0%	17%	83%
Video conference	0%	9%	36%	55%	0%	17%	17%	67%
Phone	55%	27%	9%	9%	50%	25%	8%	17%
E-mail	91%	9%	0%	0%	100%	0%	0%	0%
Intranet site	27%	18%	36%	18%	17%	25%	33%	25%
Company blog	0%	9%	45%	45%	0%	8%	17%	75%
Wiki	9%	55%	18%	18%	8%	42%	25%	25%
Instant messaging, VOIP (including Skype)	91%	9%	0%	0%	100%	0%	0%	0%
Web meetings (online collaboration)	18%	36%	27%	18%	8%	25%	25%	42%
	PM				Callc			
	Regularly	Sometimes	Hardly ever	Never	Regularly	Sometimes	Hardly ever	Never
Newsletters	0%	50%	50%	0%	0%	33%	67%	0%
Notice boards	0%	0%	17%	83%	67%	0%	0%	33%
Team meetings	33%	33%	17%	17%	33%	33%	33%	0%
Live events (team buildings, company events, ...)	0%	83%	17%	0%	0%	67%	0%	33%
Videos	0%	0%	17%	83%	0%	0%	33%	67%
Plasma/LCD displays	0%	0%	17%	83%	0%	0%	0%	100%
Video conference	0%	0%	50%	50%	0%	0%	0%	100%
Phone	83%	17%	0%	0%	0%	67%	33%	0%
E-mail	100%	0%	0%	0%	67%	33%	0%	0%
Intranet site	17%	17%	50%	17%	0%	0%	67%	33%
Company blog	0%	0%	50%	50%	0%	0%	33%	67%
Wiki	17%	50%	17%	17%	0%	33%	33%	33%
Instant messaging, VOIP (including Skype)	67%	17%	0%	17%	100%	0%	0%	0%
Web meetings (online collaboration)	33%	0%	50%	17%	0%	0%	67%	33%
	Others							
	Regularly	Sometimes	Hardly ever	Never				
Newsletters	0%	17%	67%	17%				
Notice boards	0%	0%	0%	100%				
Team meetings	0%	67%	17%	17%				
Live events (team buildings, company events, ...)	17%	67%	17%	0%				
Videos	17%	0%	17%	67%				
Plasma/LCD displays	17%	0%	17%	67%				
Video conference	17%	0%	17%	67%				
Phone	67%	17%	0%	17%				
E-mail	67%	17%	17%	0%				
Intranet site	50%	17%	33%	0%				
Company blog	0%	17%	33%	50%				
Wiki	33%	33%	17%	17%				
Instant messaging, VOIP (including Skype)	67%	17%	17%	0%				
Web meetings (online collaboration)	17%	33%	17%	33%				
2. Regarding work, would you say that you rather	All	<2years	>2years	Develop	PM	Callc	Others	
Prefer to be given structured tasks that you know how to solve (and not too compl	0%	0%	0%	0%	0%	0%	0%	
Prefer rather complex tasks that you need to creatively solve on your own (and pos	74%	73%	73%	75%	50%	100%	83%	
Other	26%	27%	27%	25%	50%	0%	17%	
3. For your work performance, are you rewarded with (select all that apply)	All	<2years	>2years	Develop	PM	Callc	Others	
Regular/fixed/hour-based salary	93%	93%	91%	92%	100%	67%	100%	
Performance bonus	37%	33%	36%	8%	50%	100%	50%	
Recognition from your supervisor (appraisal)	33%	40%	27%	50%	33%	0%	17%	
More independence for next tasks	37%	27%	55%	42%	50%	33%	17%	
More responsibility for next tasks	44%	33%	55%	50%	67%	33%	17%	
Getting more challenging tasks	26%	20%	36%	17%	50%	0%	33%	
The possibility of promotion	15%	7%	18%	0%	0%	33%	50%	
other	0%	0%	0%	0%	0%	0%	0%	

Challenges of People Management in MEMOS Software

4. Would you say that regarding projects that you work on, you	All				<2years			
	Always	Usually	Hardly ever	Never	Always	Usually	Hardly ever	Never
Have set goals that you need to achieve	30%	63%	7%	0%	33%	60%	7%	0%
Are provided with regular feedback on how are you doing	30%	56%	15%	0%	27%	53%	20%	0%
Can get special reward if over-performed	7%	19%	41%	33%	13%	13%	27%	47%
Know how important the project for company is	48%	33%	15%	4%	27%	53%	20%	0%
Are consulted for whatever needs or assistance that you might need	41%	48%	11%	0%	40%	53%	7%	0%
	>2years				Develop			
	Always	Usually	Hardly ever	Never	Always	Usually	Hardly ever	Never
Have set goals that you need to achieve	18%	73%	9%	0%	33%	67%	0%	0%
Are provided with regular feedback on how are you doing	27%	64%	9%	0%	50%	42%	8%	0%
Can get special reward if over-performed	0%	18%	64%	18%	8%	8%	58%	25%
Know how important the project for company is	73%	9%	9%	9%	42%	33%	17%	8%
Are consulted for whatever needs or assistance that you might need	36%	45%	18%	0%	33%	50%	17%	0%
	PM				Callc			
	Always	Usually	Hardly ever	Never	Always	Usually	Hardly ever	Never
Have set goals that you need to achieve	17%	67%	17%	0%	67%	33%	0%	0%
Are provided with regular feedback on how are you doing	17%	67%	17%	0%	33%	67%	0%	0%
Can get special reward if over-performed	0%	33%	17%	50%	33%	67%	0%	0%
Know how important the project for company is	50%	33%	17%	0%	67%	33%	0%	0%
Are consulted for whatever needs or assistance that you might need	33%	67%	0%	0%	67%	33%	0%	0%
	Others							
	Always	Usually	Hardly ever	Never				
Have set goals that you need to achieve	17%	67%	17%	0%				
Are provided with regular feedback on how are you doing	0%	67%	33%	0%				
Can get special reward if over-performed	0%	0%	50%	50%				
Know how important the project for company is	50%	33%	17%	0%				
Are consulted for whatever needs or assistance that you might need	50%	33%	17%	0%				
1. Do you consider your work interesting enough?	All	<2years	>2years	Develop	PM	Callc	Others	
Yes	30%	27%	27%	17%	33%	67%	33%	
Rather yes	52%	47%	64%	67%	50%	33%	33%	
Rather no	11%	13%	9%	8%	0%	0%	33%	
No	0%	0%	0%	0%	0%	0%	0%	
Other	7%	13%	0%	8%	17%	0%	0%	
2. Do you perceive / get ... in your work?	All				<2years			
	Yes	Rather yes	Rather no	No	Yes	Rather yes	Rather no	No
Autonomy	37%	59%	4%	0%	27%	67%	7%	0%
Feedback	33%	56%	11%	0%	33%	53%	13%	0%
Skills variety	48%	44%	7%	0%	47%	40%	13%	0%
Task identity	37%	52%	7%	4%	27%	67%	0%	7%
Challenge	30%	44%	22%	4%	20%	40%	33%	7%
Opportunities for learning	37%	52%	7%	4%	20%	67%	13%	0%
Space for your own decisions	41%	37%	15%	7%	33%	27%	27%	13%
	>2years				Develop			
	Yes	Rather yes	Rather no	No	Yes	Rather yes	Rather no	No
Autonomy	55%	45%	0%	0%	33%	67%	0%	0%
Feedback	27%	64%	9%	0%	42%	42%	17%	0%
Skills variety	45%	55%	0%	0%	75%	25%	0%	0%
Task identity	45%	36%	18%	0%	42%	42%	8%	8%
Challenge	36%	55%	9%	0%	25%	50%	17%	8%
Opportunities for learning	64%	27%	0%	9%	33%	50%	8%	8%
Space for your own decisions	55%	45%	0%	0%	42%	33%	17%	8%
	PM				Callc			
	Yes	Rather yes	Rather no	No	Yes	Rather yes	Rather no	No
Autonomy	33%	67%	0%	0%	67%	33%	0%	0%
Feedback	33%	67%	0%	0%	33%	67%	0%	0%
Skills variety	17%	83%	0%	0%	33%	67%	0%	0%
Task identity	33%	67%	0%	0%	33%	67%	0%	0%
Challenge	33%	50%	17%	0%	33%	67%	0%	0%
Opportunities for learning	33%	67%	0%	0%	33%	67%	0%	0%
Space for your own decisions	50%	33%	17%	0%	0%	67%	33%	0%
	Others							
	Yes	Rather yes	Rather no	No				
Autonomy	67%	33%	0%	0%				
Feedback	17%	67%	17%	0%				
Skills variety	33%	33%	33%	0%				
Task identity	33%	50%	17%	0%				
Challenge	33%	17%	50%	0%				
Opportunities for learning	50%	33%	17%	0%				
Space for your own decisions	50%	33%	0%	17%				
3. Regarding your concrete job role and job description, do you know	All				<2years			
	Yes	Rather yes	Rather no	No	Yes	Rather yes	Rather no	No
Job title	70%	22%	7%	0%	67%	20%	13%	0%
Who are you reporting to	85%	7%	4%	4%	73%	13%	7%	7%
Who is reporting to you	78%	11%	4%	7%	67%	13%	7%	13%
Overall purpose of the job for company	74%	22%	4%	0%	67%	33%	0%	0%
Main activities, tasks and duties	70%	30%	0%	0%	67%	33%	0%	0%
	>2years				Develop			
	Yes	Rather yes	Rather no	No	Yes	Rather yes	Rather no	No
Job title	73%	27%	0%	0%	75%	17%	8%	0%
Who are you reporting to	100%	0%	0%	0%	75%	8%	8%	8%
Who is reporting to you	91%	9%	0%	0%	83%	8%	8%	0%
Overall purpose of the job for company	82%	9%	9%	0%	58%	33%	8%	0%
Main activities, tasks and duties	73%	27%	0%	0%	58%	42%	0%	0%
	PM				Callc			
	Yes	Rather yes	Rather no	No	Yes	Rather yes	Rather no	No
Job title	50%	50%	0%	0%	67%	33%	0%	0%
Who are you reporting to	83%	17%	0%	0%	100%	0%	0%	0%
Who is reporting to you	67%	33%	0%	0%	67%	0%	0%	33%
Overall purpose of the job for company	83%	17%	0%	0%	67%	33%	0%	0%
Main activities, tasks and duties	50%	50%	0%	0%	100%	0%	0%	0%
	Others							
	Yes	Rather yes	Rather no	No				
Job title	83%	0%	17%	0%				
Who are you reporting to	100%	0%	0%	0%				
Who is reporting to you	83%	0%	0%	17%				
Overall purpose of the job for company	100%	0%	0%	0%				
Main activities, tasks and duties	100%	0%	0%	0%				

Challenges of People Management in MEMOS Software

4. Considering your typical work/tasks, are you allowed independently to	All				<2years			
	Yes, indep	Rather yes, v	Rather no, n	No, completely	Yes, indep	Rather yes, v	Rather no, n	No, completely
Plan the work (needed time, resources, etc.)	37%	41%	19%	4%	27%	47%	20%	7%
Execute (perform the work)	44%	52%	4%	0%	27%	67%	7%	0%
Self-control (and fix mistakes if necessary)	41%	48%	11%	0%	20%	60%	20%	0%
	>2years				Develop			
	Yes, indep	Rather yes, v	Rather no, n	No, completely	Yes, indep	Rather yes, v	Rather no, n	No, completely
Plan the work (needed time, resources, etc.)	45%	36%	18%	0%	42%	33%	25%	0%
Execute (perform the work)	64%	36%	0%	0%	42%	58%	0%	0%
Self-control (and fix mistakes if necessary)	64%	36%	0%	0%	33%	67%	0%	0%
	PM				Callc			
	Yes, indep	Rather yes, v	Rather no, n	No, completely	Yes, indep	Rather yes, v	Rather no, n	No, completely
Plan the work (needed time, resources, etc.)	17%	83%	0%	0%	33%	33%	33%	0%
Execute (perform the work)	50%	50%	0%	0%	33%	67%	0%	0%
Self-control (and fix mistakes if necessary)	50%	33%	17%	0%	33%	33%	33%	0%
	Others							
	Yes, indep	Rather yes, v	Rather no, n	No, completely	decided for me			
Plan the work (needed time, resources, etc.)	50%	17%	17%	17%				
Execute (perform the work)	50%	33%	17%	0%				
Self-control (and fix mistakes if necessary)	50%	33%	17%	0%				
2. In your own opinion, would you say that your manager (supervisor) posses lead	All				<2years			
	Yes	Rather yes	Rather no	No	Yes	Rather yes	Rather no	No
Being enthusiastic	56%	33%	11%	0%	53%	40%	7%	0%
Showing integrity (keeping principles)	63%	33%	4%	0%	60%	33%	7%	0%
Tough but fair treatment	52%	44%	4%	0%	27%	67%	7%	0%
Cares for others	48%	44%	7%	0%	47%	40%	13%	0%
Is open to different opinions	48%	37%	15%	0%	40%	47%	13%	0%
Is confident	59%	37%	4%	0%	53%	40%	7%	0%
Gives direction	63%	33%	4%	0%	53%	47%	0%	0%
Provides inspiration	37%	37%	26%	0%	27%	33%	40%	0%
Builds a team spirit	41%	41%	19%	0%	40%	33%	27%	0%
Sets an example	44%	52%	4%	0%	33%	60%	7%	0%
Is accepted	74%	26%	0%	0%	67%	33%	0%	0%
	>2years				Develop			
	Yes	Rather yes	Rather no	No	Yes	Rather yes	Rather no	No
Being enthusiastic	55%	27%	18%	0%	75%	17%	8%	0%
Showing integrity (keeping principles)	64%	36%	0%	0%	83%	8%	8%	0%
Tough but fair treatment	82%	18%	0%	0%	75%	17%	8%	0%
Cares for others	55%	45%	0%	0%	67%	25%	8%	0%
Is open to different opinions	55%	27%	18%	0%	83%	8%	8%	0%
Is confident	64%	36%	0%	0%	58%	33%	8%	0%
Gives direction	73%	18%	9%	0%	67%	33%	0%	0%
Provides inspiration	55%	36%	9%	0%	58%	33%	8%	0%
Builds a team spirit	45%	45%	9%	0%	67%	25%	8%	0%
Sets an example	55%	45%	0%	0%	58%	33%	8%	0%
Is accepted	82%	18%	0%	0%	75%	25%	0%	0%
	PM				Callc			
	Yes	Rather yes	Rather no	No	Yes	Rather yes	Rather no	No
Being enthusiastic	17%	83%	0%	0%	33%	67%	0%	0%
Showing integrity (keeping principles)	50%	50%	0%	0%	33%	67%	0%	0%
Tough but fair treatment	50%	50%	0%	0%	33%	67%	0%	0%
Cares for others	33%	67%	0%	0%	0%	67%	33%	0%
Is open to different opinions	0%	83%	17%	0%	33%	33%	33%	0%
Is confident	67%	33%	0%	0%	33%	67%	0%	0%
Gives direction	83%	17%	0%	0%	33%	67%	0%	0%
Provides inspiration	17%	67%	17%	0%	0%	33%	67%	0%
Builds a team spirit	33%	33%	33%	0%	0%	67%	33%	0%
Sets an example	17%	83%	0%	0%	33%	67%	0%	0%
Is accepted	83%	17%	0%	0%	33%	67%	0%	0%
	Others							
	Yes	Rather yes	Rather no	No				
Being enthusiastic	67%	0%	33%	0%				
Showing integrity (keeping principles)	50%	50%	0%	0%				
Tough but fair treatment	17%	83%	0%	0%				
Cares for others	50%	50%	0%	0%				
Is open to different opinions	33%	50%	17%	0%				
Is confident	67%	33%	0%	0%				
Gives direction	50%	33%	17%	0%				
Provides inspiration	33%	17%	50%	0%				
Builds a team spirit	17%	67%	17%	0%				
Sets an example	50%	50%	0%	0%				
Is accepted	83%	17%	0%	0%				

Challenges of People Management in MEMOS Software

3. How would you rate your manager (supervisor) in the following functions	All				<2years			
	Very skilled	Quite skilled	Rather unsk	Failure	Very skilled	Quite skilled	Rather unsk	Failure
Defining the task (and proper related communication)	59%	37%	4%	0%	53%	40%	7%	0%
Planning (including involvement of other ideas)	56%	37%	7%	0%	53%	33%	13%	0%
Briefing (communicating)	67%	30%	4%	0%	60%	33%	7%	0%
Controlling	67%	22%	11%	0%	67%	13%	20%	0%
Evaluating (plans, team performance, individuals and him/her-self)	59%	26%	15%	0%	60%	20%	20%	0%
Motivating	33%	52%	15%	0%	13%	60%	27%	0%
Organizing	52%	41%	7%	0%	53%	33%	13%	0%
Providing an example	48%	44%	7%	0%	33%	53%	13%	0%
	>2years				Develop			
	Very skilled	Quite skilled	Rather unsk	Failure	Very skilled	Quite skilled	Rather unsk	Failure
Defining the task (and proper related communication)	73%	27%	0%	0%	75%	17%	8%	0%
Planning (including involvement of other ideas)	64%	36%	0%	0%	50%	42%	8%	0%
Briefing (communicating)	82%	18%	0%	0%	58%	33%	8%	0%
Controlling	64%	36%	0%	0%	50%	42%	8%	0%
Evaluating (plans, team performance, individuals and him/her-self)	55%	36%	9%	0%	50%	33%	17%	0%
Motivating	55%	45%	0%	0%	50%	33%	17%	0%
Organizing	55%	45%	0%	0%	50%	33%	17%	0%
Providing an example	64%	36%	0%	0%	58%	25%	17%	0%
	PM				Callc			
	Very skilled	Quite skilled	Rather unsk	Failure	Very skilled	Quite skilled	Rather unsk	Failure
Defining the task (and proper related communication)	33%	67%	0%	0%	33%	67%	0%	0%
Planning (including involvement of other ideas)	50%	50%	0%	0%	33%	67%	0%	0%
Briefing (communicating)	83%	17%	0%	0%	33%	67%	0%	0%
Controlling	83%	0%	17%	0%	100%	0%	0%	0%
Evaluating (plans, team performance, individuals and him/her-self)	50%	33%	17%	0%	100%	0%	0%	0%
Motivating	0%	100%	0%	0%	33%	33%	33%	0%
Organizing	67%	33%	0%	0%	0%	100%	0%	0%
Providing an example	17%	83%	0%	0%	33%	67%	0%	0%
	Others							
	Very skilled	Quite skilled	Rather unsk	Failure				
Defining the task (and proper related communication)	67%	33%	0%	0%				
Planning (including involvement of other ideas)	83%	0%	17%	0%				
Briefing (communicating)	83%	17%	0%	0%				
Controlling	67%	17%	17%	0%				
Evaluating (plans, team performance, individuals and him/her-self)	67%	17%	17%	0%				
Motivating	33%	50%	17%	0%				
Organizing	67%	33%	0%	0%				
Providing an example	67%	33%	0%	0%				
4. Are you a member of long-term established team or are the teams composed from different people for every task/project?	All	<2years	>2years	Develop	PM	Callc	Others	
I work in a long-term established team with given tasks	56%	47%	64%	75%	17%	100%	33%	
I am always assigned to a newly established team based on current project	33%	40%	27%	17%	50%	0%	67%	
Other	11%	13%	9%	8%	33%	0%	0%	
5. When you first joined the company, have you	All				<2years			
	Yes	Rather yes	Rather no	No	Yes	Rather yes	Rather no	No
Been fomally introduced at the company (to others)	78%	19%	4%	0%	80%	20%	0%	0%
Been instructed on "what is what and where" (kitchen, bathrooms, etc.)	78%	19%	4%	0%	80%	20%	0%	0%
Been assigned with a mentor/instructor	70%	15%	11%	4%	80%	13%	0%	7%
Had someone to ask questions	70%	26%	0%	4%	73%	27%	0%	0%
Received some company policy documents (rules, hints, advices, customs, ...)	56%	26%	11%	7%	47%	40%	7%	7%
Have been instructed regarding company policies	56%	30%	4%	11%	47%	40%	0%	13%
Known from the beginning who your direct supervisor is	67%	19%	11%	4%	53%	33%	7%	7%
Known from the beginning who your team colleagues are	63%	26%	11%	0%	60%	27%	13%	0%
Known from the beginning what your job description is	56%	37%	7%	0%	47%	47%	7%	0%
Known how are you supposed to work on given tasks	52%	37%	11%	0%	47%	47%	7%	0%
	>2years				Develop			
	Yes	Rather yes	Rather no	No	Yes	Rather yes	Rather no	No
Been fomally introduced at the company (to others)	73%	18%	9%	0%	75%	25%	0%	0%
Been instructed on "what is what and where" (kitchen, bathrooms, etc.)	73%	18%	9%	0%	92%	8%	0%	0%
Been assigned with a mentor/instructor	55%	18%	27%	0%	58%	17%	17%	8%
Had someone to ask questions	73%	18%	0%	9%	67%	25%	0%	8%
Received some company policy documents (rules, hints, advices, customs, ...)	64%	9%	18%	9%	42%	42%	17%	0%
Have been instructed regarding company policies	64%	18%	9%	9%	42%	42%	0%	17%
Known from the beginning who your direct supervisor is	82%	0%	18%	0%	58%	8%	25%	8%
Known from the beginning who your team colleagues are	64%	27%	9%	0%	58%	33%	8%	0%
Known from the beginning what your job description is	64%	27%	9%	0%	67%	33%	0%	0%
Known how are you supposed to work on given tasks	55%	27%	18%	0%	50%	50%	0%	0%
	PM				Callc			
	Yes	Rather yes	Rather no	No	Yes	Rather yes	Rather no	No
Been fomally introduced at the company (to others)	67%	17%	17%	0%	100%	0%	0%	0%
Been instructed on "what is what and where" (kitchen, bathrooms, etc.)	50%	33%	17%	0%	100%	0%	0%	0%
Been assigned with a mentor/instructor	83%	0%	17%	0%	100%	0%	0%	0%
Had someone to ask questions	50%	50%	0%	0%	67%	33%	0%	0%
Received some company policy documents (rules, hints, advices, customs, ...)	83%	0%	0%	17%	67%	33%	0%	0%
Have been instructed regarding company policies	50%	33%	17%	0%	67%	33%	0%	0%
Known from the beginning who your direct supervisor is	50%	50%	0%	0%	67%	33%	0%	0%
Known from the beginning who your team colleagues are	50%	33%	17%	0%	100%	0%	0%	0%
Known from the beginning what your job description is	0%	83%	17%	0%	100%	0%	0%	0%
Known how are you supposed to work on given tasks	17%	33%	50%	0%	100%	0%	0%	0%
	Others							
	Yes	Rather yes	Rather no	No				
Been fomally introduced at the company (to others)	83%	17%	0%	0%				
Been instructed on "what is what and where" (kitchen, bathrooms, etc.)	67%	33%	0%	0%				
Been assigned with a mentor/instructor	67%	33%	0%	0%				
Had someone to ask questions	100%	0%	0%	0%				
Received some company policy documents (rules, hints, advices, customs, ...)	50%	17%	17%	17%				
Have been instructed regarding company policies	83%	0%	0%	17%				
Known from the beginning who your direct supervisor is	100%	0%	0%	0%				
Known from the beginning who your team colleagues are	67%	17%	17%	0%				
Known from the beginning what your job description is	67%	17%	17%	0%				
Known how are you supposed to work on given tasks	67%	33%	0%	0%				